

# ECONOMIC DEVELOPMENT

NOVEMBER 5, 2013

# PRIORITY

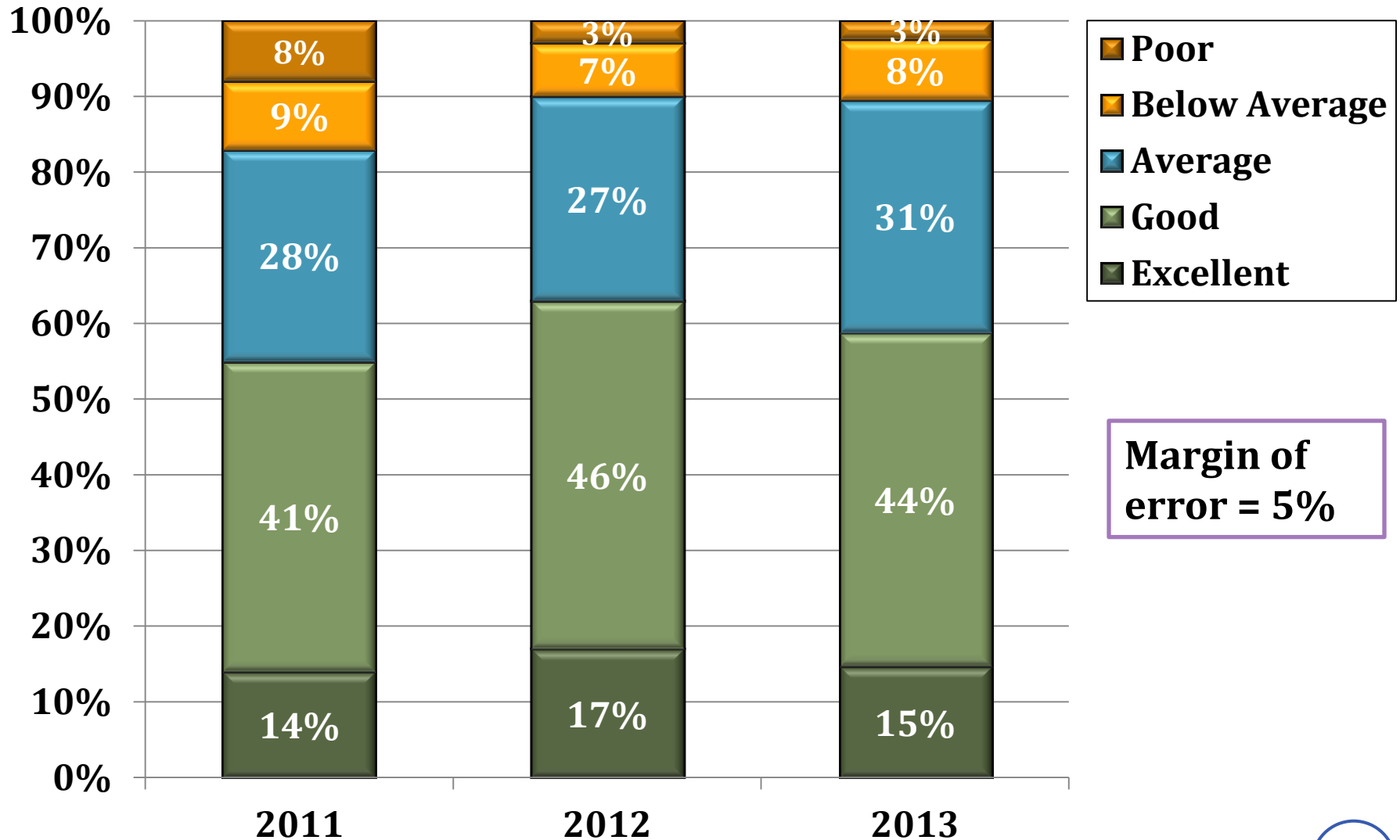
## **Streamline Business Practices**

# INDICATORS

- 1. Business satisfaction with customer service from local government (EDC Survey)**
- 2. Rating Kansas City as a place to do business (EDC Survey)**
- 3. % of Small Business Committee recommendations implemented**

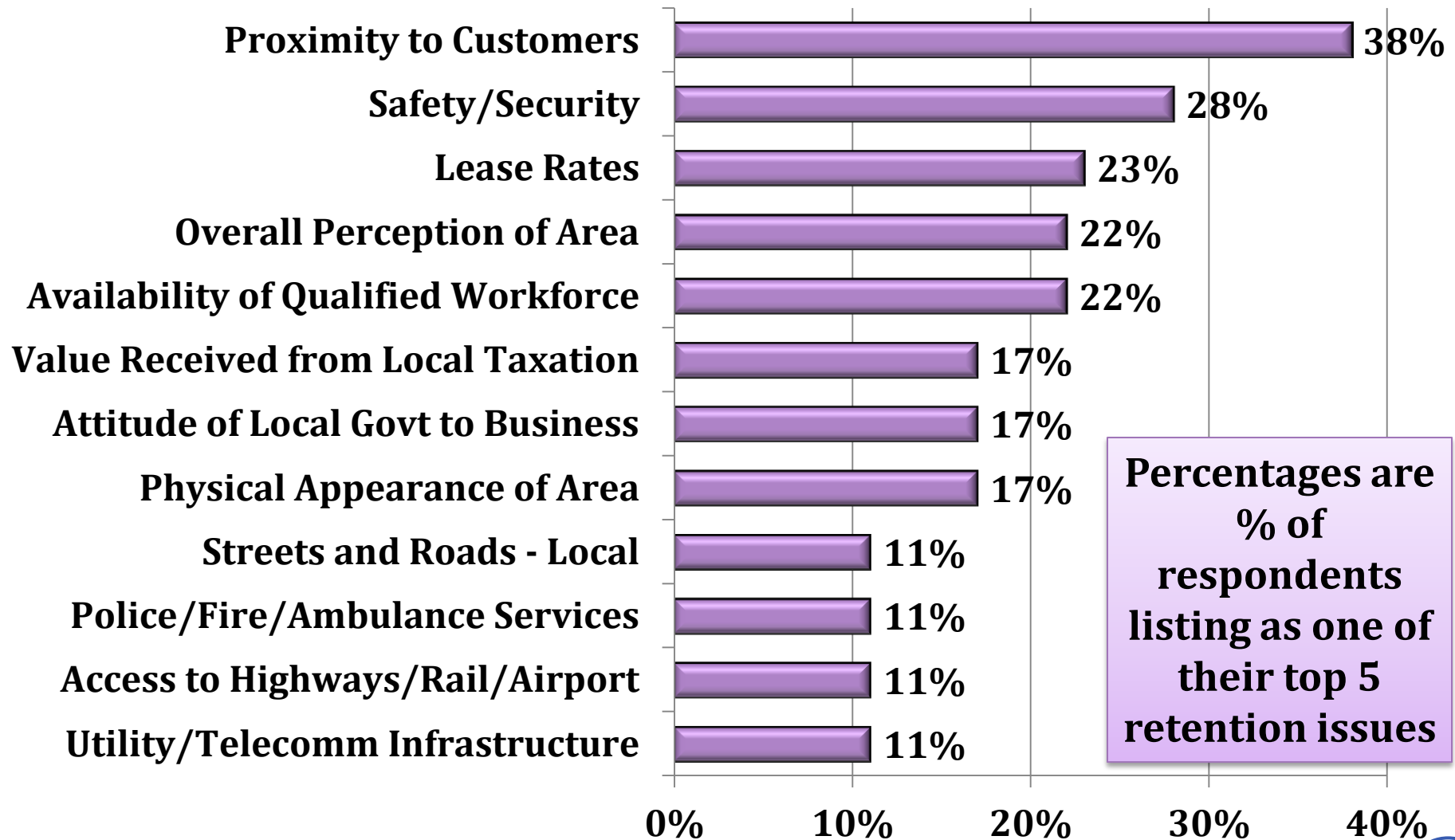
# BUSINESS SATISFACTION WITH KCMO AS A PLACE TO DO BUSINESS

**Watch  
Trend**



# ISSUES IMPACTING RETENTION OF BUSINESS (TOP 12)

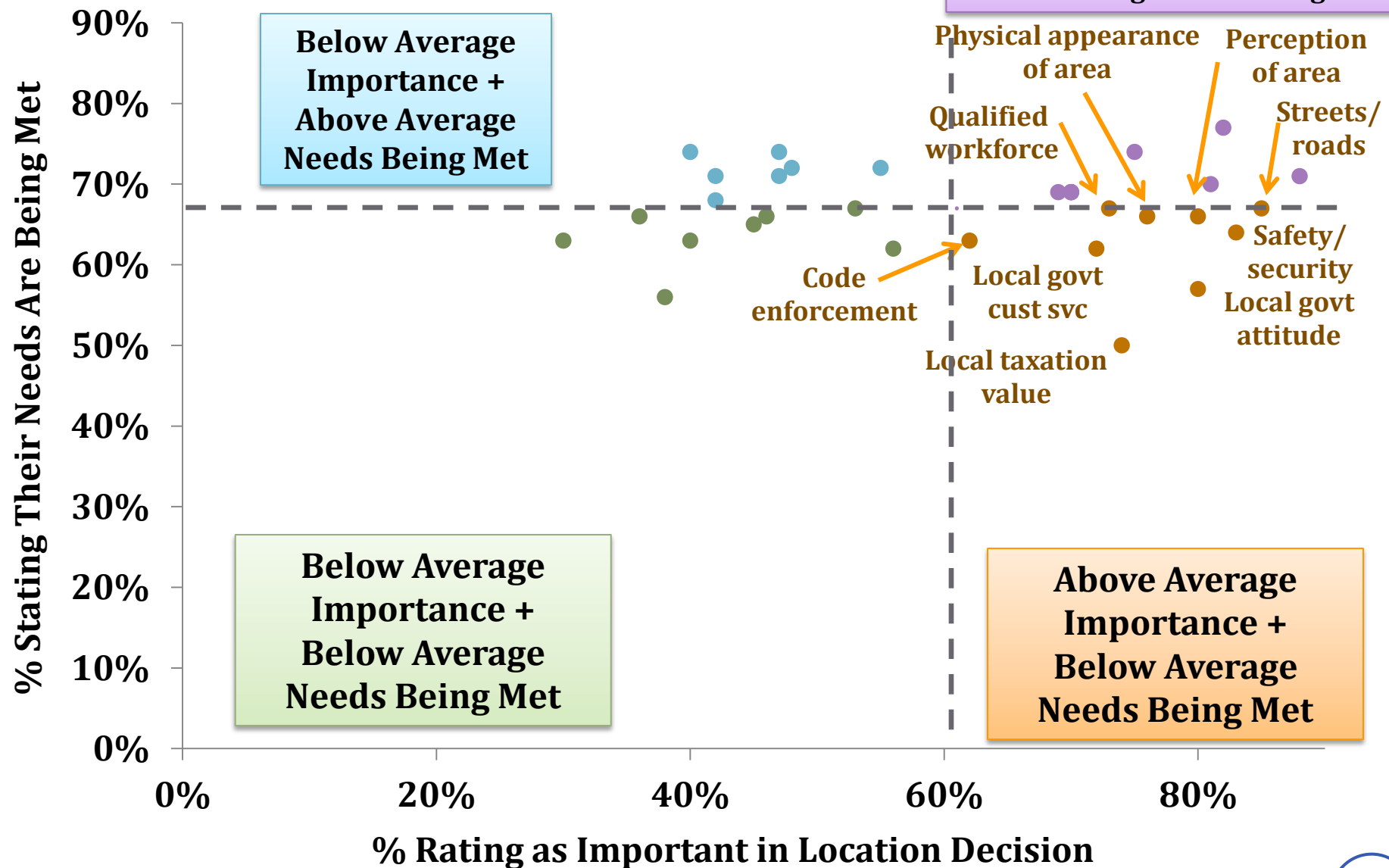
*Which five of these issues will have the most impact on your decision to stay in KCMO for the next 10 years?*



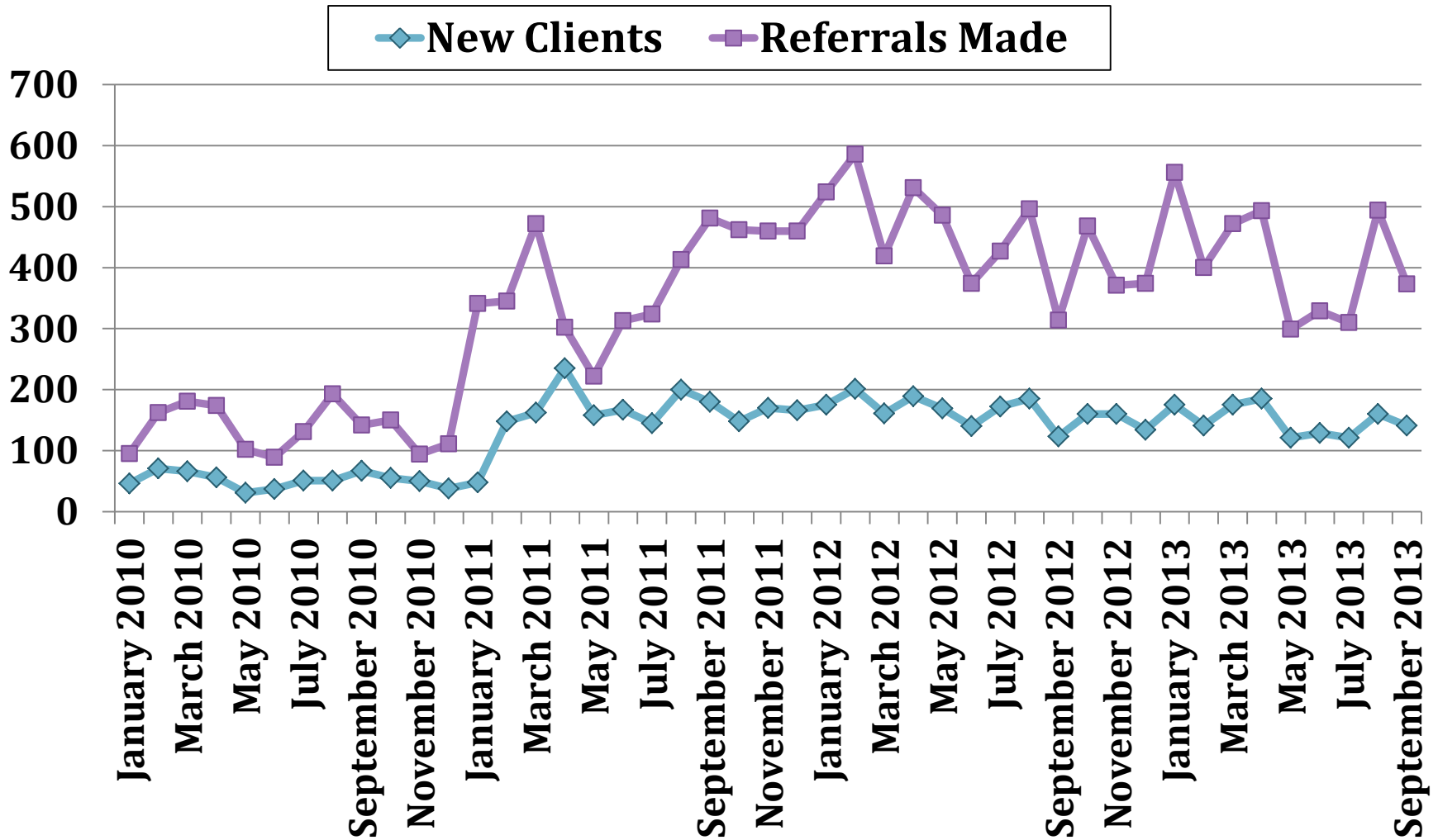
# RETENTION ISSUES – COMPARING 2013 AND 2012

Rank	2013 Retention Issues	2012 Retention Issues
1	Proximity to Customers	Proximity to Customers
2	Safety/Security	Safety/Security
3	Lease Rates	Overall Perception of the Area
4	Overall Perception of the Area	Physical Appearance of the Area
5	Availability of Qualified Workforce	Lease Rates
6	Value from Local Taxation	Attitude of Local Govt to Business
7	Attitude of Local Govt to Business	Availability of Qualified Workforce
8	Physical Appearance of the Area	Police/Fire/Ambulance Service
9	Streets and Roads – Local	Access to Highways/Rail/Airport
10	Police/Fire/Ambulance Service	Streets and Roads – Local
11	Access to Highways/Rail Airport	Customer Svc from Local Govt
12	Utility/Telecomm Infrastructure	Location Within the Nation

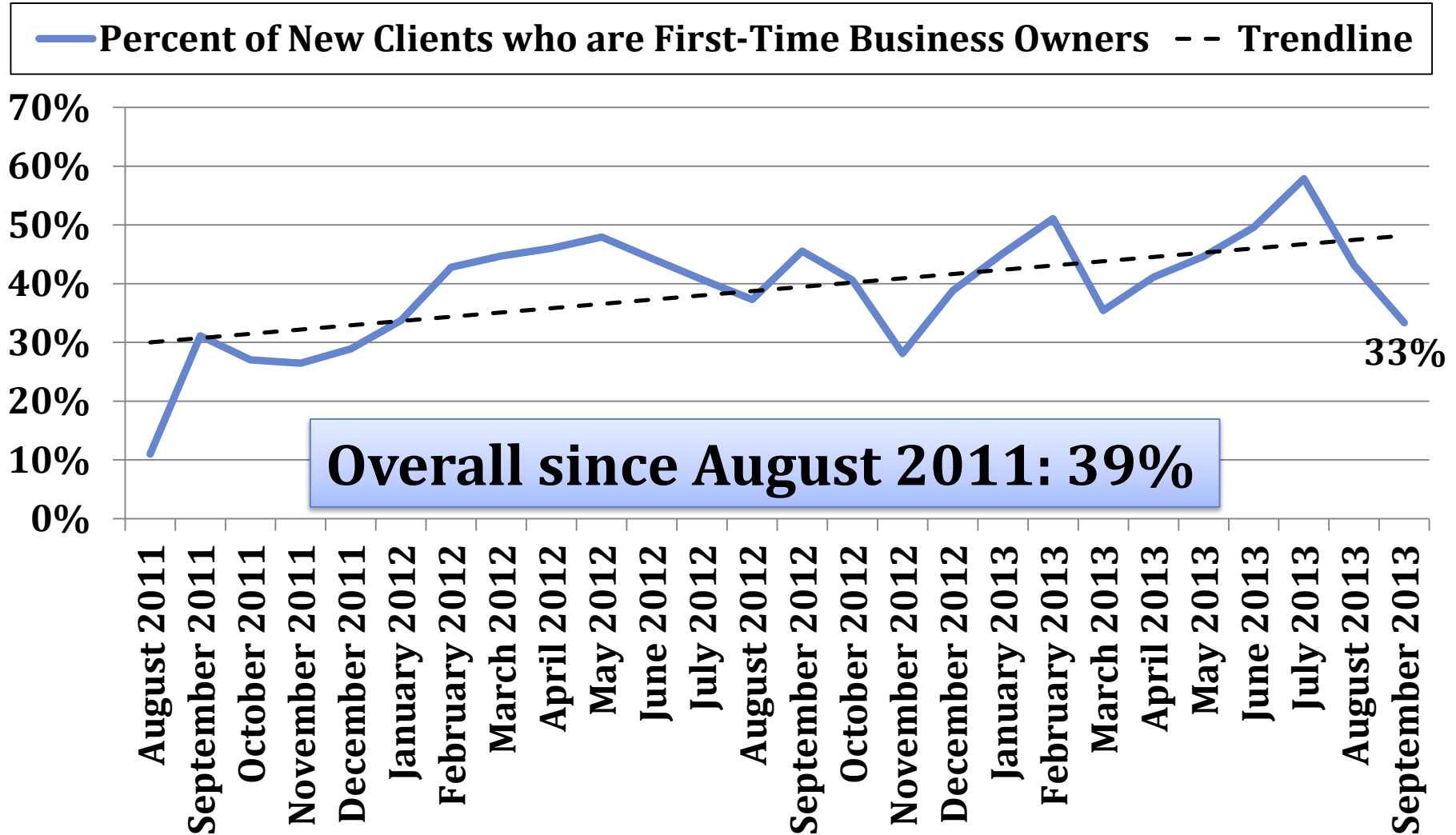
# LOCATION ISSUES: COMPARING IMPORTANCE TO WHETHER ARE NEEDS BEING MET



# BIZCARE CLIENTS AND REFERRALS

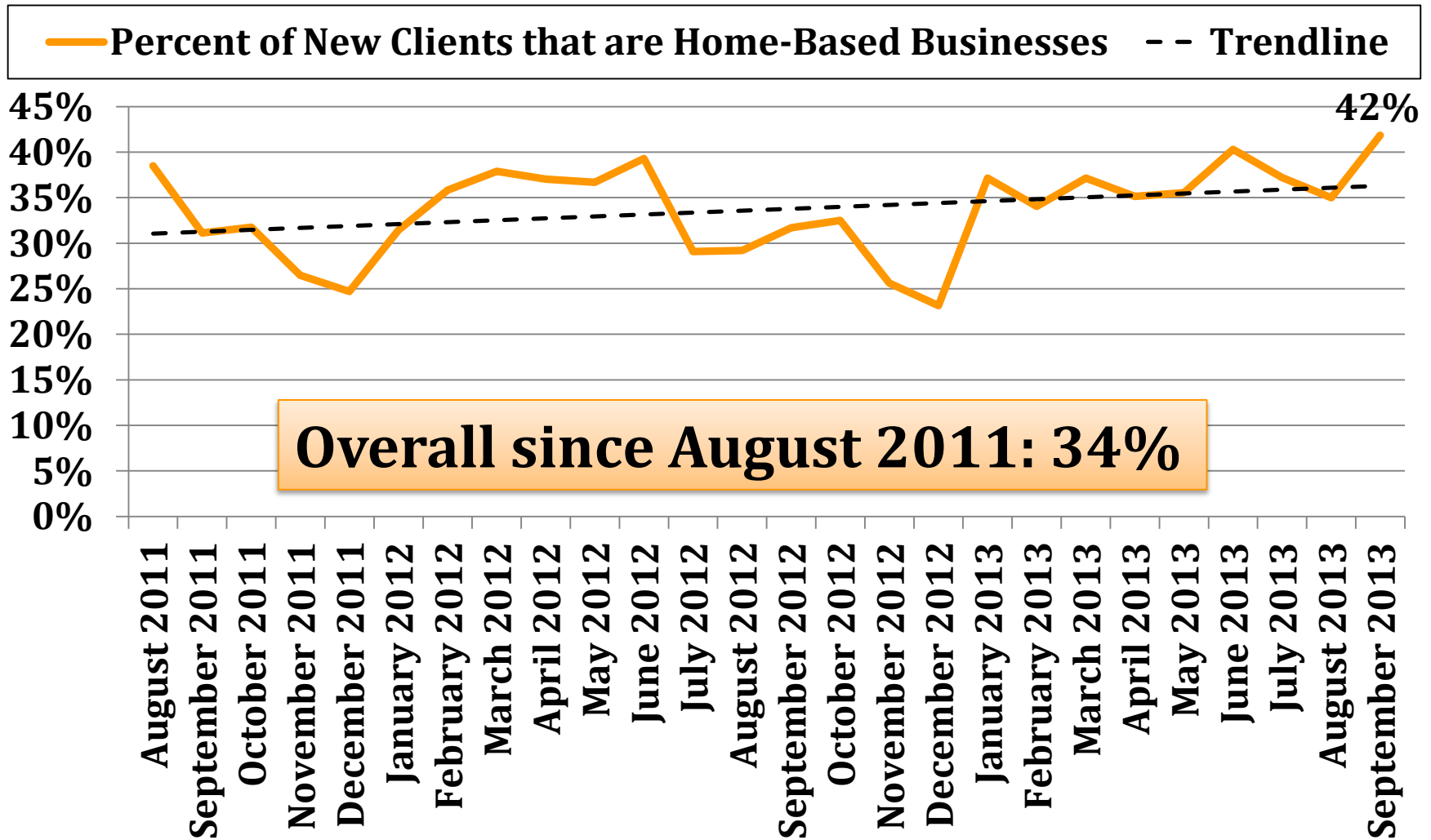


# FIRST-TIME BUSINESSES AS CLIENTS OF BIZCARE





# HOME-BASED BUSINESSES AS CLIENTS OF BIZCARE



# PRIORITY

**Implement the City's Advance KC plan, maximize the collaborative opportunities to further this plan by partnering with community efforts that keep and grow businesses in KCMO, attract more residents to live in KCMO and celebrate the unique offerings that bring people and business to KCMO**

# INDICATORS

- 1. Jobs created or retained through economic development efforts**
- 2. Downtown commercial vacancy rate**

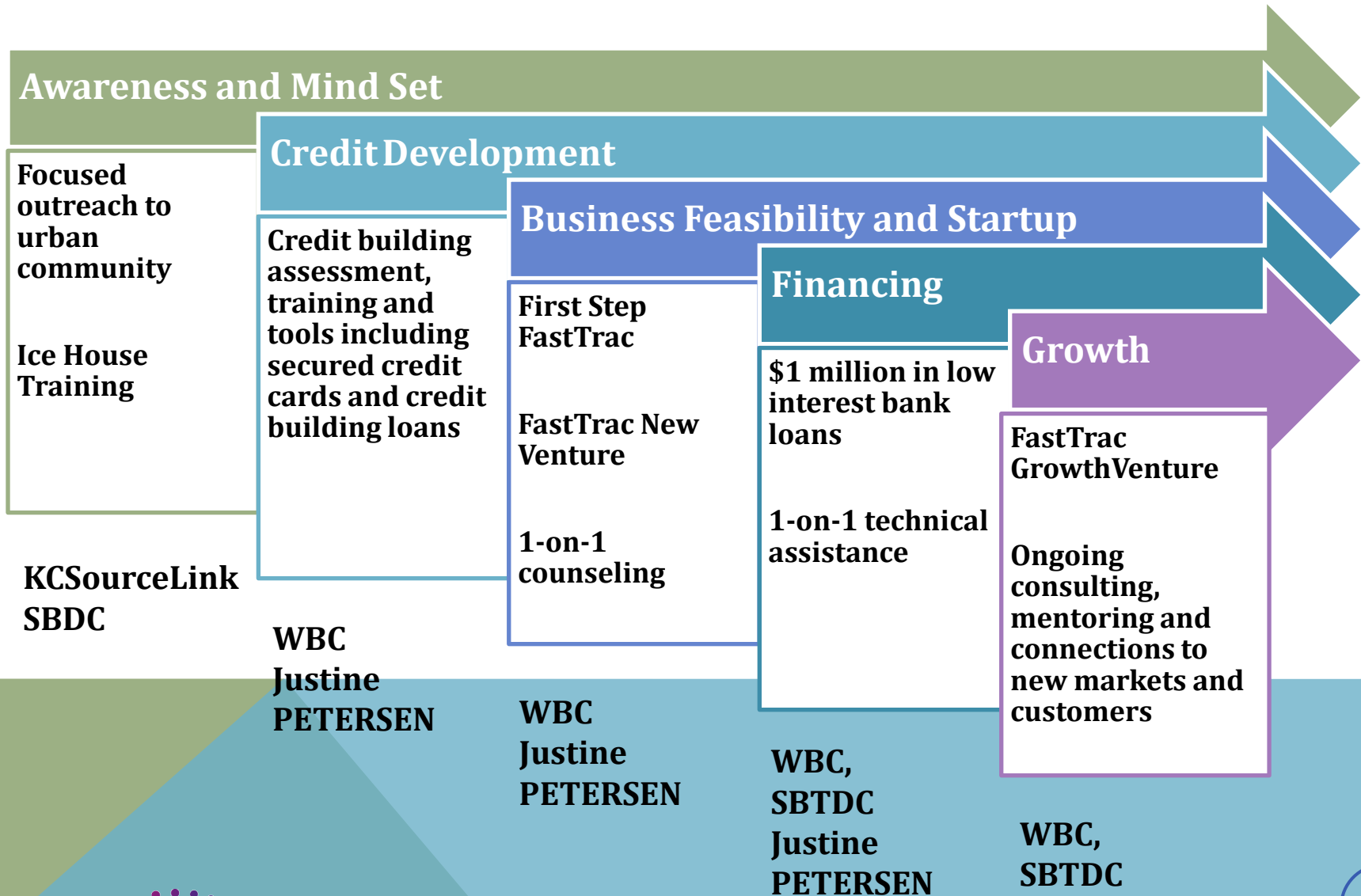
# ENTREPRENEURIAL SUPPORT: URBAN GROWTH INITIATIVE



**Partnership to encourage entrepreneurial start-ups, with a goal of creating jobs in economically distressed neighborhoods**

**Features training programs and technical assistance to low- to moderate income individuals in the urban core wanting to start or grow businesses**

# URBAN BUSINESS GROWTH INITIATIVE: HOW DOES IT WORK?



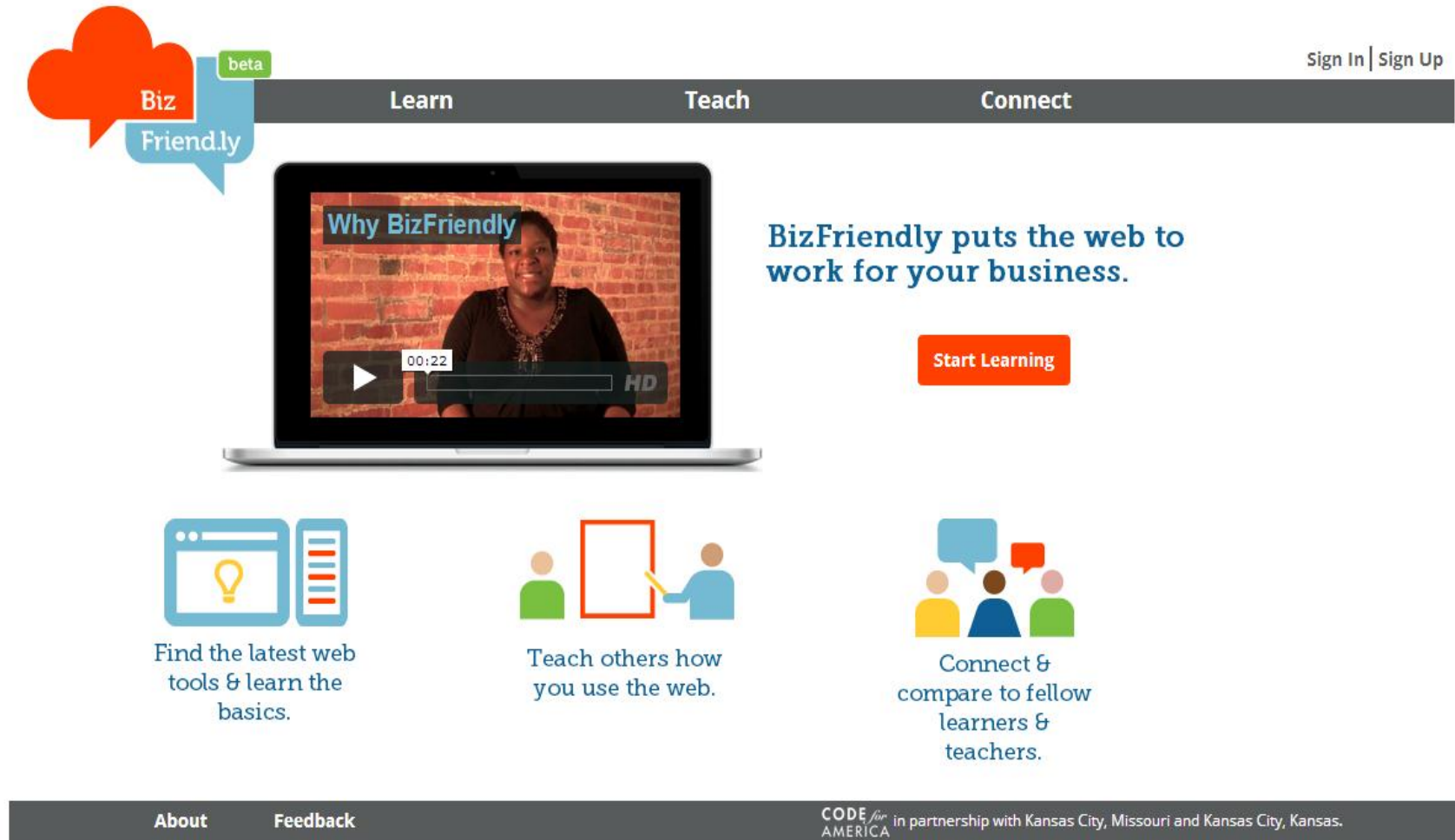
# KANSAS CITY'S PROPOSED ENTREPRENEURIAL DASHBOARD

**Entrepreneurial Density**  
**Deals/Available Financing**  
**Network Interconnectedness/Use**  
**STEM Workforce**  
**Inc. 500/5000 Companies**

**Are we there yet?**

---

# ENTREPRENEURIAL SUPPORT: CODE FOR AMERICA APPLICATION



The screenshot shows the BizFriendly website. At the top left is the BizFriendly logo, consisting of an orange cloud with 'Biz' and a blue speech bubble with 'Friendly'. A green 'beta' tag is next to it. To the right are links for 'Sign In' and 'Sign Up'. Below the logo is a dark grey navigation bar with 'Learn', 'Teach', and 'Connect' buttons. The main content area features a video player on the left showing a woman speaking, with the title 'Why BizFriendly' and a play button. To the right of the video is the text 'BizFriendly puts the web to work for your business.' and an orange 'Start Learning' button. Below the video player are three icons: a lightbulb in a browser window, two people at a whiteboard, and three people with speech bubbles. Each icon has a corresponding description: 'Find the latest web tools & learn the basics.', 'Teach others how you use the web.', and 'Connect & compare to fellow learners & teachers.' At the bottom is a dark grey footer with 'About' and 'Feedback' links on the left, and 'CODE for AMERICA in partnership with Kansas City, Missouri and Kansas City, Kansas.' on the right.

**BizFriendly** beta

Sign In | Sign Up

Learn Teach Connect

**Why BizFriendly**

BizFriendly puts the web to work for your business.

Start Learning

Find the latest web tools & learn the basics.

Teach others how you use the web.

Connect & compare to fellow learners & teachers.

About Feedback

CODE for AMERICA in partnership with Kansas City, Missouri and Kansas City, Kansas.

<http://bizfriendly.ly>

**Demo TODAY (11/5/13) at 1 PM on 10<sup>th</sup> Floor of City Hall**

# REVIEW: HIGH-LEVEL METRICS FOR ADVANCE KC



*Planning for future jobs and opportunities.*

## PEOPLE

### Community Growth

Population

### Age Dynamics

Population  
Change by  
Age Group

Age  
Distribution

### Diversity

Racial/  
Ethnic  
Distribution

Population  
Change by  
Race and  
Ethnicity

Population  
by Race

### Educational Attainment

Educational  
Attachment

### Income

Per  
Capita  
Income

Household  
Income

### Poverty

Poverty  
Rates

Poverty  
Rates by  
Race

### Workforce Dynamics

Accredited  
Child Devt  
Centers

School  
District  
Data

ACT Scores

Degrees  
Conferred

# REVIEW: HIGH-LEVEL METRICS FOR ADVANCE KC



*Planning for future jobs and opportunities.*

## PROSPERITY

### Growth and Prosperity

Employment Index

Total Employment

Unemployment rate

Labor Force Participation

Worker Inflow/Outflow

### Economic Structure

Employment / Avg Wage by Sector

Location Quotients

### Business Climate

State Business Climate Index/Rank

State and Local Tax Rate

### Utilities

Power Costs

### Vacancy Rates

Vacancy rates for office, retail, and industrial

### Bankruptcy

Personal and Business Bankruptcies

### Innovation

R&D Expenditures

Patent Activity

Entrepreneur Rates



# REVIEW: HIGH-LEVEL METRICS FOR ADVANCE KC



*Planning for future jobs and opportunities.*

## PLACE

### Cost of Living

Cost of Living Index

### Housing

Median Home Values

Median Existing Single-Family Home Prices

Rental Affordability

### Health Care

Well-Being Index

County Health Rankings

Health Care Capacity

### Public Safety

Violent Crime Rates

Property Crime Rates

City Crime Rankings

### Transportation and Infrastructure

Airline Passenger and Freight Traffic

Travel Time Statistics

### Quality of Life

Arts Capacity

EPA Envirofacts

### Civic Capacity

Registered Nonprofits

Volunteering

# ADVANCEKC: STRATEGIC RECOMMENDATION AREAS

## AdvanceKC Strategic Recommendations

- 1. Arts and Leisure**
- 2. Business Climate**
- 3. Connectivity and Collaboration**
- 4. Infrastructure Development**
- 5. Innovation and Entrepreneurship**
- 6. Mobility**
- 7. Public Safety**
- 8. Talent Development and Education**
- 9. Target Sector Support**
- 10. Urban Land Use and Revitalization**

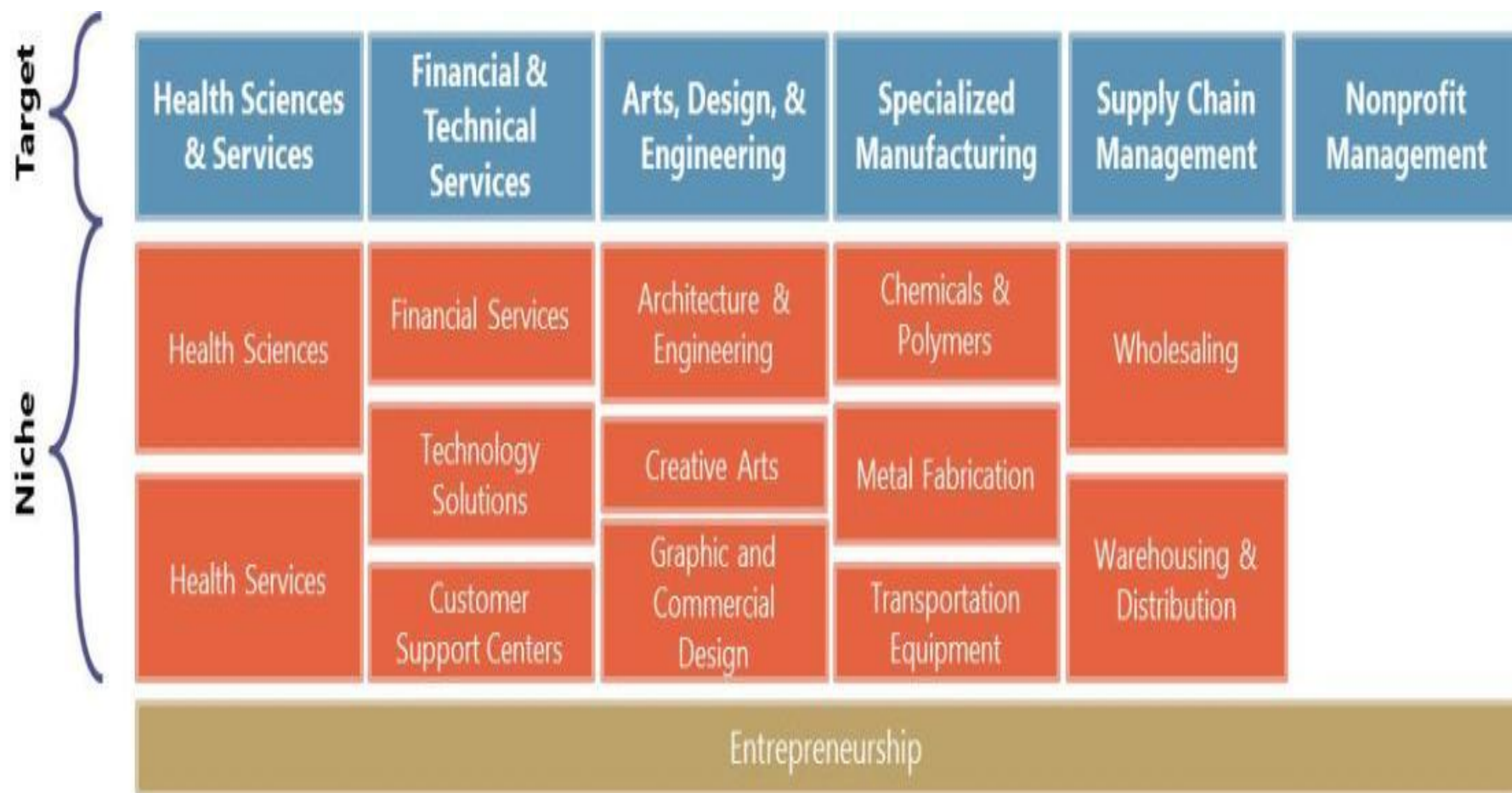
# TARGET SECTOR ANALYSIS



*Planning for future jobs and opportunities.*

## **AdvanceKC Strategic Recommendation 9: TARGET SECTOR SUPPORT**

**Action Item 9.1:** Develop research-supported Action Agendas for Kansas City's priority target business sectors.



# INCENTIVES POLICY



*Planning for future jobs and opportunities.*

## ***AdvanceKC Strategic Recommendation 2: BUSINESS CLIMATE***

***Action Item 2.2:*** Revisit the City of Kansas City's incentives policy based on the dynamics of the AdvanceKC strategy.

### **STRATEGIC PLAN RECOMMENDATIONS:**

- **Review the usage and efficacy of all existing incentives tools and their potential to support implementation of AdvanceKC's economic development initiatives.**
- **Based on this assessment, formalize a new, legally binding policy for the provision of public incentives administered and delivered by the City of Kansas City.**
- **Develop a "grading" system for incentives usage based on anticipated fiscal and strategic project impact.**
- **Ensure that policy dynamics include ongoing data-supported analysis of the impact of awarded incentives based on AdvanceKC priorities.**

# INCENTIVES POLICY



*Planning for future jobs and opportunities.*

## CORE EVALUATION CRITERIA

### Jobs-Based Projects

- Net New Jobs
- Wages
- Investment
- Target Sector

### Site-Based Projects

- Location
- Blight Remediation
- But For (gap)
- Investment

# MEASURING ARTS AND ECONOMIC DEVELOPMENT: CREATIVE VITALITY INDEX

## ***AdvanceKC Strategic Recommendation 1: ARTS AND LEISURE***

***Action Item 1.1:*** Integrate the findings and recommendations of the Task Force on the Arts into the AdvanceKC framework.

### **Creative Vitality Index:**

- ❖ Measures arts participation (demand for arts products and services) and occupational employment in the arts
- ❖ Initiative born from a collaborative research project
- ❖ Municipal Art Commission commissioning a report

# RECENT WINS FOR THE KC ART SCENE (AND THE ECONOMY)

## **National Storytelling Commission moved new world Headquarters to Kansas City**

- Annual conference draws 500 attendees and will be held in KC every other year

## **Folk Alliance International relocated headquarters from Memphis to Kansas City**

- Annual conference draws 2,000 participants\* and will be held February 2014

\*Source: The Pitch August 20, 2013

# STRATEGIC DIRECTION OF THE EDC



**Strategy #1: Expand and retain business opportunities in Kansas City**

**Strategy #2: Expand new business location in Kansas City**

**Strategy #3: Expand community economic development outreach opportunities**

**Strategy #4: Coordinate and align the focus of the statutory agencies**

**Strategy #5: Build upon the infrastructure of the EDC**

**Strategy #6: Increase perceived value of EDC by its public & private partners**

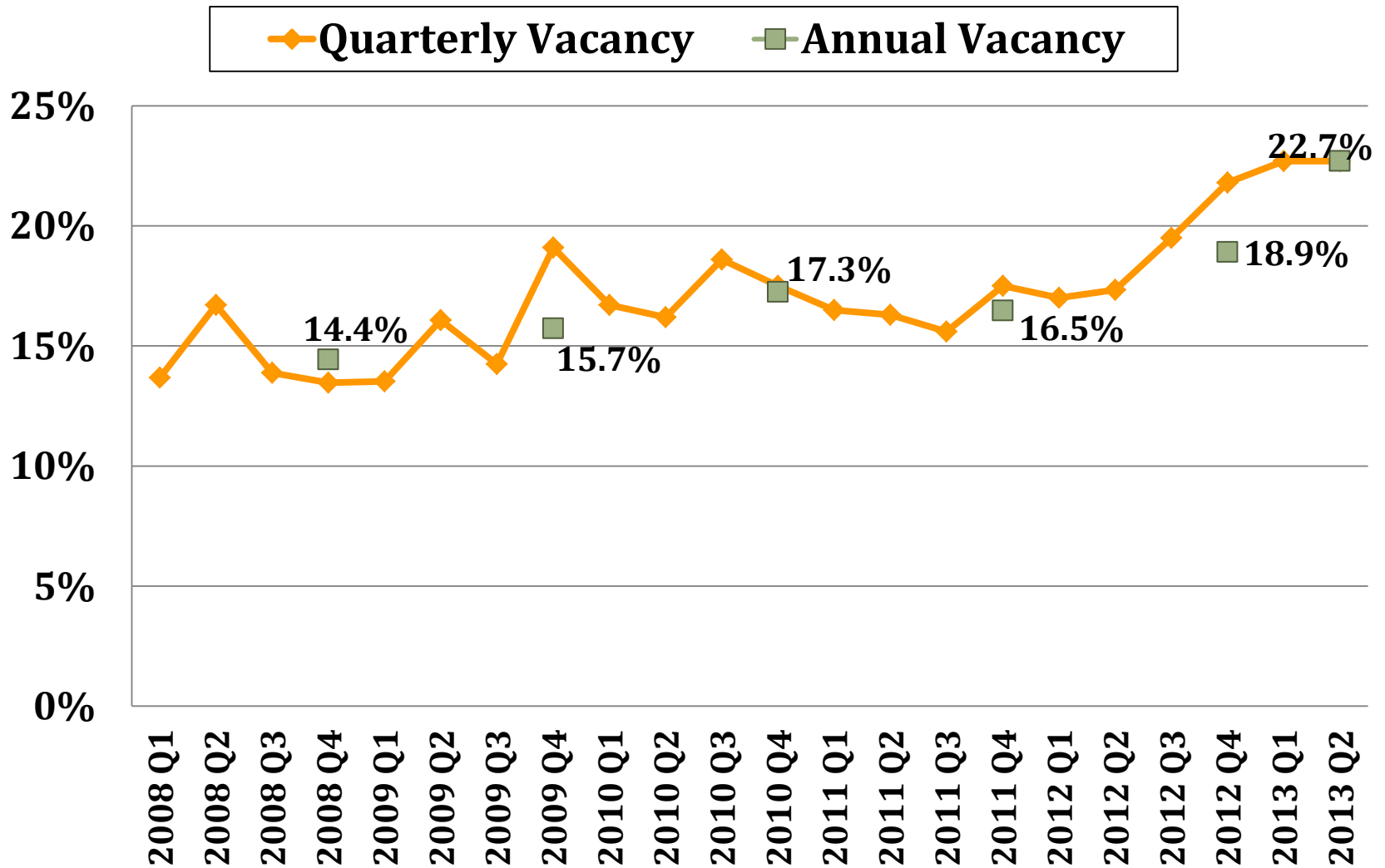


# EDC CONTRACT QUARTERLY PERFORMANCE INDICATORS

Measure	AdvanceKC Strategy
<b>Announced Projects</b> ( <i># of attraction, retension and expansion</i> )	Target Sector Support
<b>Jobs from Announced Projects</b> ( <i># created and retained</i> )	
<b>Existing Business Visits</b> ( <i># by employer size and business sector</i> )	
<b>Investment for Business Development Activities</b> ( <i>\$ of real property and personal property</i> )	
<b>Approved Projects</b> ( <i># for redevelopment</i> )	Urban Land Use and Revitalization
<b>New Investment for Redevelopment Activities</b> ( <i>\$ of real property</i> )	
<b>Satisfaction with KC as a Place to do Business</b> ( <i>% citywide and by area plan, annually</i> )	Business Climate
<b>Local Tax Incentives Approved</b> ( <i>\$ by statutory agency and taxing jurisdiction</i> )	
<b>Ratio of Investments to Incentives</b> ( <i># by statutory agency</i> )	
<b>SBA 504 Loans Closed</b> ( <i>\$ and #</i> )	Innovation and Entrepreneurship
<b>Revolving Loans Closed</b> ( <i>\$ and #</i> )	

# DOWNTOWN OFFICE SPACE VACANCY RATES

Negative  
Trend: 



# PRIORITY

**Invest in the underdeveloped parts of the City and effectively harness the opportunities available through the Urban Neighborhood Initiative, Land Bank, Green Impact Zone and other programs to improve housing and commercial development**

# INDICATORS

- 1. % of Land Bank properties sold, reused or repurposed**
- 2. % change in value of permits in designated urban core area**

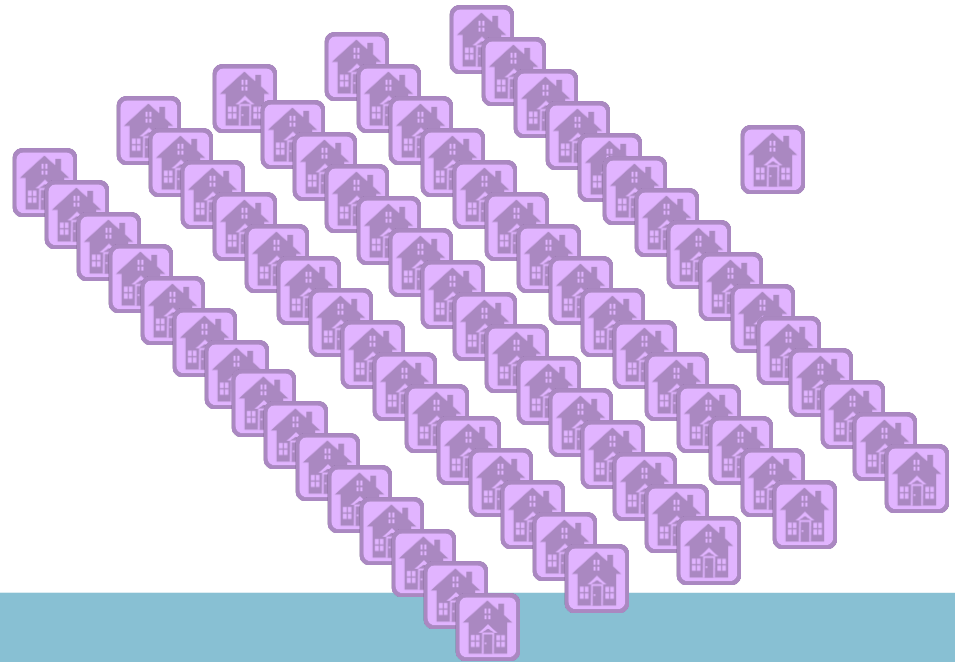
# LAND BANK SALES TO DATE



**Land Bank Properties  
Sold: 9**



**Land Bank Properties  
Under Contract: 76**



**\$5,527 = Total Land Bank Sales Amount**

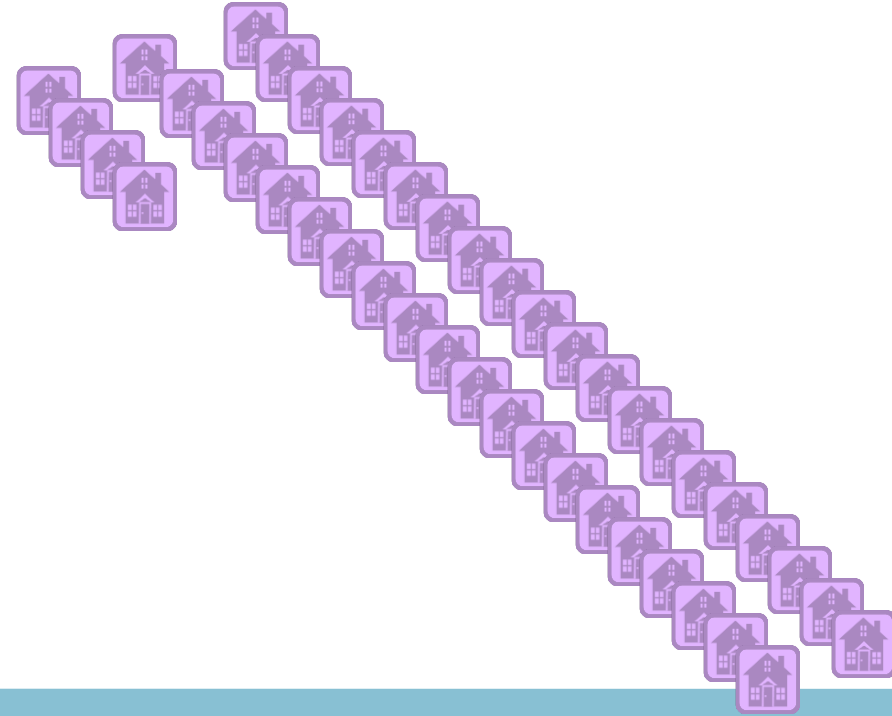
*Source: Land Bank*

# HOMESTEADING AUTHORITY SALES ACTIVITY






**Homesteading Authority  
Properties Sold: 18**



**Homesteading Authority  
Properties Under Contract: 44**



# DISPOSITION OF LAND BANK PROPERTY: SOLD AND UNDER CONTRACT

<b>5 Single Family Homes for Demo by Purchaser</b>	
<b>8 Single Family Homes for Renovations</b>	
<b>8 Single Family Homes for Owner Occupancy</b>	
<b>21 Vacant Lots</b>	
<b>43 Side Lots</b>	

# CURRENT HOUSING ASSISTANCE PROGRAMS: MORE

**Missouri Reinvesting in Neighborhoods Program (MORE):** The MORE Program offers a 30 year fixed rate mortgage through [Missouri Housing Development Commission](#) (MHDC) for first time and repeat homebuyers who are purchasing homes that are owned by municipalities or non-profits in [targeted areas](#) of Kansas City, Missouri.

<b>Brief Description</b>	30 year fixed rate subject to income and purchase price limits; first time homebuyer is waived. Property must be located in the city's designated areas. Property must be owned by municipality or non-for-profit.
Mortgage Rate*	<b>First Mortgage through MHDC with a 30 year fixed rate mortgage at our non cash assistance interest rate</b>
Income Limits	
1-2 Persons	\$85,440
3+ Persons	\$99,680
Purchase Price Limits	
1 Family	\$305,800
2 Family	\$391,486
Seller Requirements	Municipality or non-profit must own or hold title to the property prior to the homebuyer's purchase
Owner-occupied Requirement	Property to be owner-occupied
MHDC Cash Assistance Contribution	None. KC Dream HOME Program downpayment assistance is eligible with the MORE program
Loan Types	FHA/VA/RD Loans Conventional (mortgage rate higher)
Borrowers Served	First Time Homebuyers & Repeat Homebuyers

\*Mortgage Rates subject to change based on market. Borrowers must apply with one of MHDC's certified lenders.







# CURRENT HOUSING ASSISTANCE PROGRAMS: KC DREAM

**KC Dream Program:** Assistance for low- to moderate- income first-time homebuyers within the City limits of KCMO. Income guidelines apply and special incentives are given for homebuyers buying in one of the Neighborhood and Housing Services target areas.

The City has established the following **target areas** and subsidy limits:

- **Heart of the City** – Primary Target Area – the lesser of 20% of purchase price or \$20,000
- **Truman** – Primary Target Area - the lesser of 20% of purchase price or \$20,000
- **Swope** – Primary Target Area - the lesser of 20% of purchase price or \$20,000
- **Hickman/Ruskin** – Secondary Target Area - the lesser of 20% of purchase price or \$20,000
- **Downtown** – Secondary Target Area - the lesser of 20% of purchase price or \$20,000
- **Briarcliff/Winwood** – Secondary Target Area - the lesser of 20% of purchase price or \$20,000
- **Citywide** (outside of any Target Area) - the lesser of 10% of purchase price or \$10,000


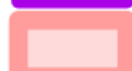


## Program Income Guidelines

No. in household	1	2	3	4	5	6	7	8
Max. annual income	\$39,900	\$45,600	\$51,300	\$56,950	\$61,550	\$66,100	\$70,650	\$75,200

# KC Dream Home Target Areas

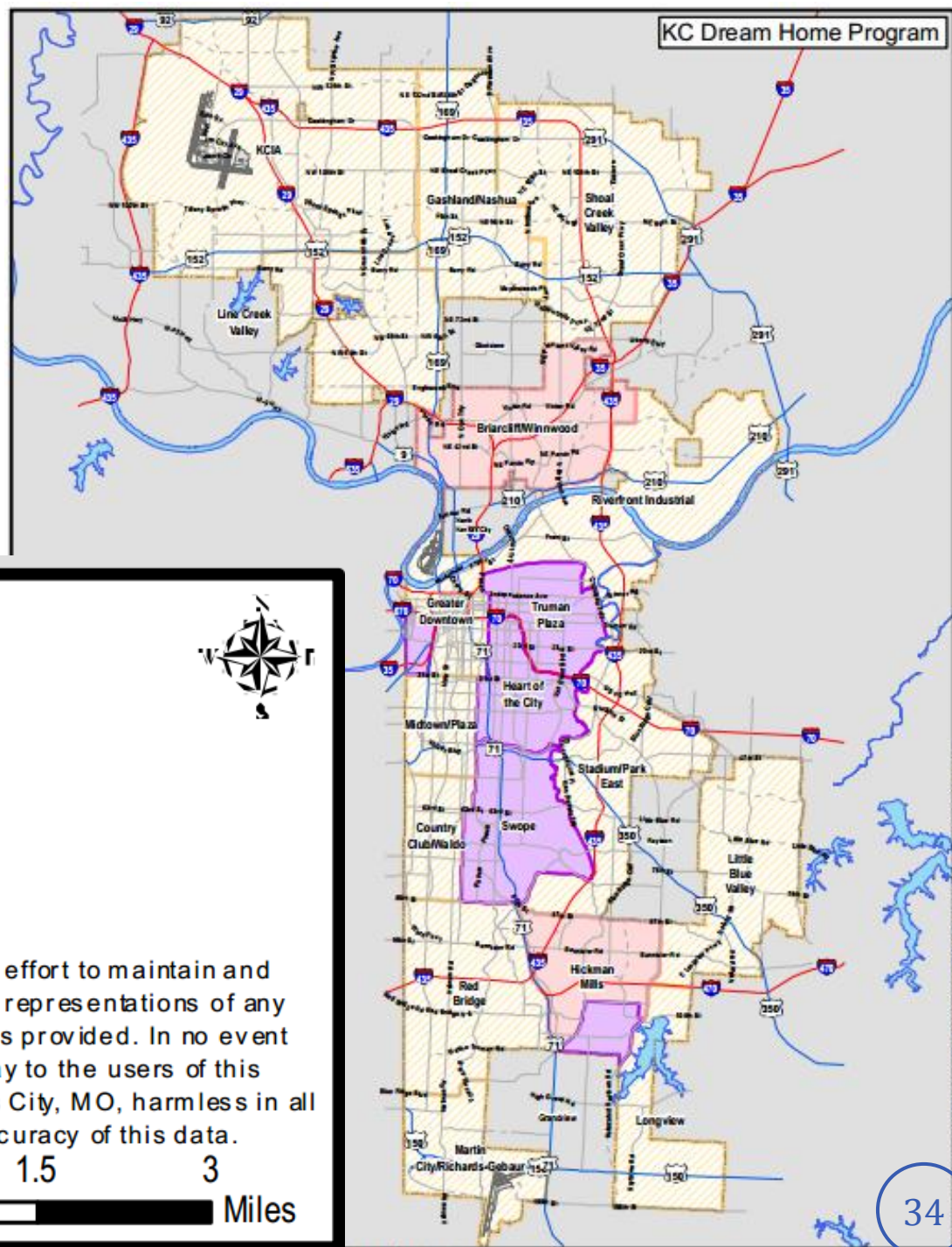
## Legend

### Levels of Assistance

-  Primary Target Areas - \$20,000
-  Secondary Target Areas - \$20,000
-  All Other Areas of KC \$10,000
-  City Limit

While the City of Kansas City, Missouri makes every effort to maintain and distribute accurate information, no warranties and/or representations of any kind are made regarding information, data or services provided. In no event shall the City of Kansas City, MO, be liable in any way to the users of this data. Users of this data shall hold the City of Kansas City, MO, harmless in all matters and accounts arising from the use and/or accuracy of this data.

0 1.5 3 Miles



# PRIORITY

**Make Kansas City a destination for personal and business visitors by maximizing the usage of the City's Aviation and Convention assets**

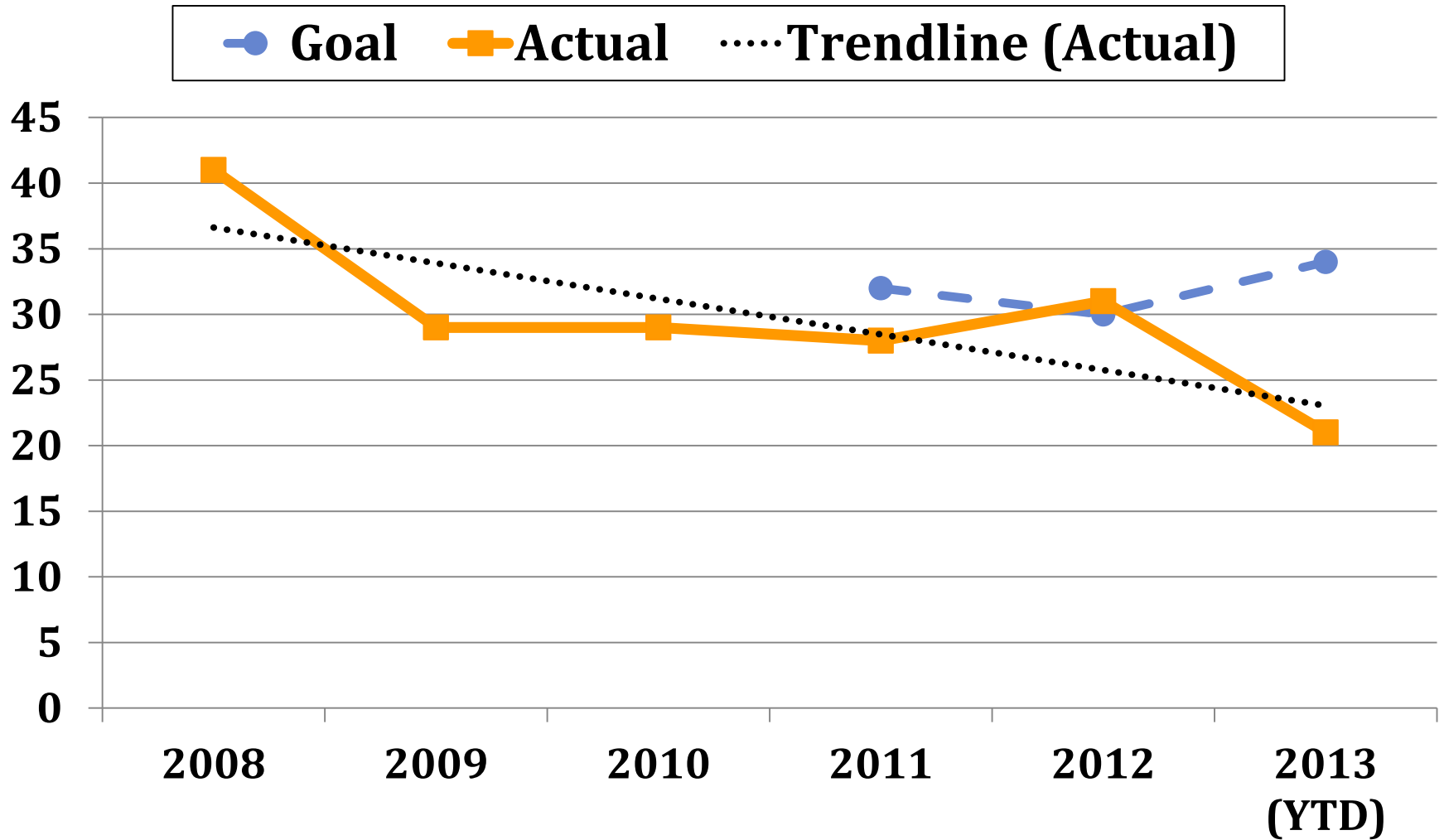
# INDICATORS

1. Number of daily departures and arrivals at KCI Airport
2. Number of citywide/non-citywide conventions and other events at convention center
3. Number of hotel room nights and non-convention hotel room nights booked
4. Progress tracker for new terminal at KCI Airport
5. National/Int'l rankings and features of KC

# CONVENTION CENTER BOOKINGS BY CVA

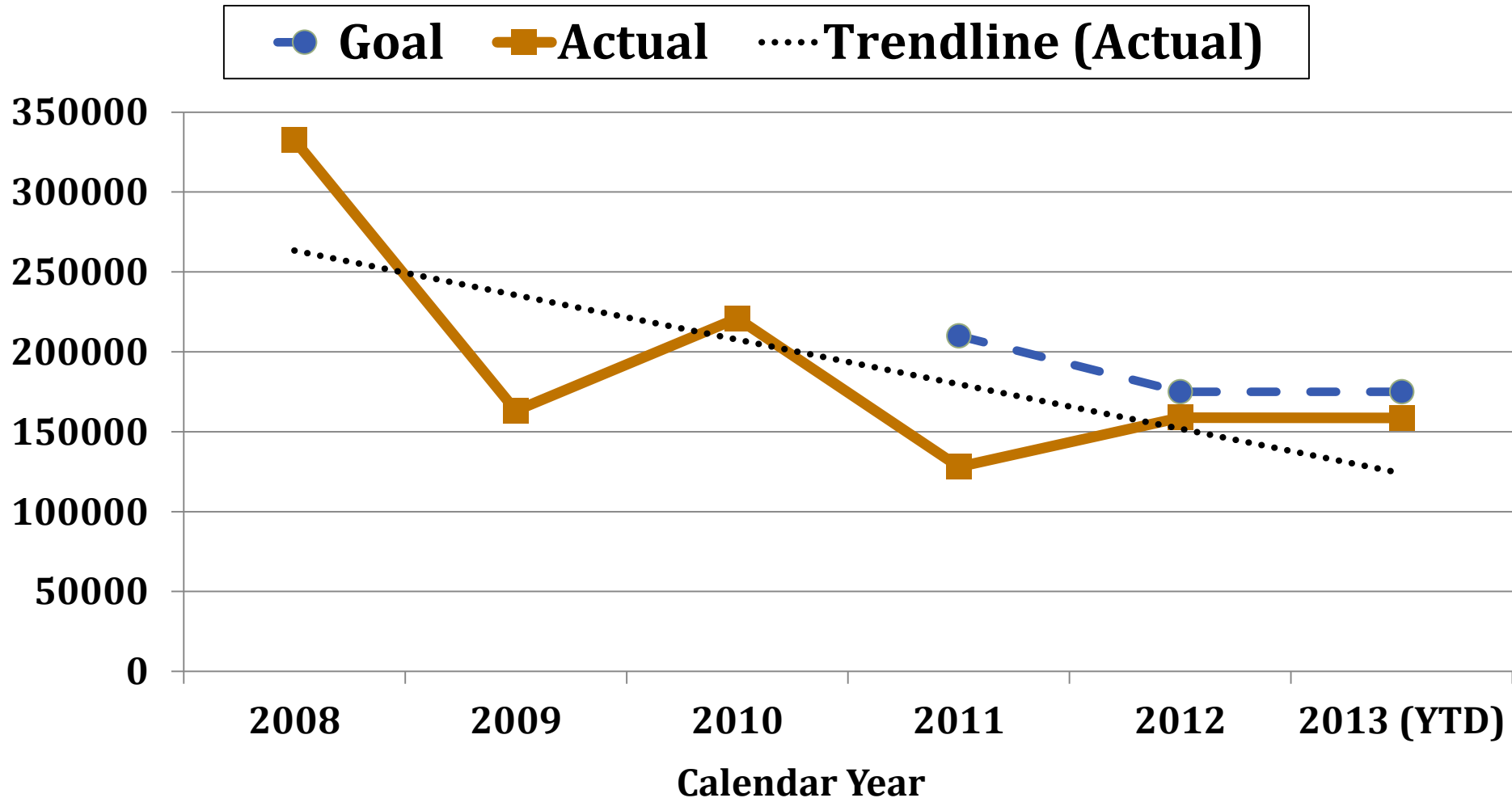
(ALL SIZES: FOR FUTURE YEARS)

Negative  
Trend: 



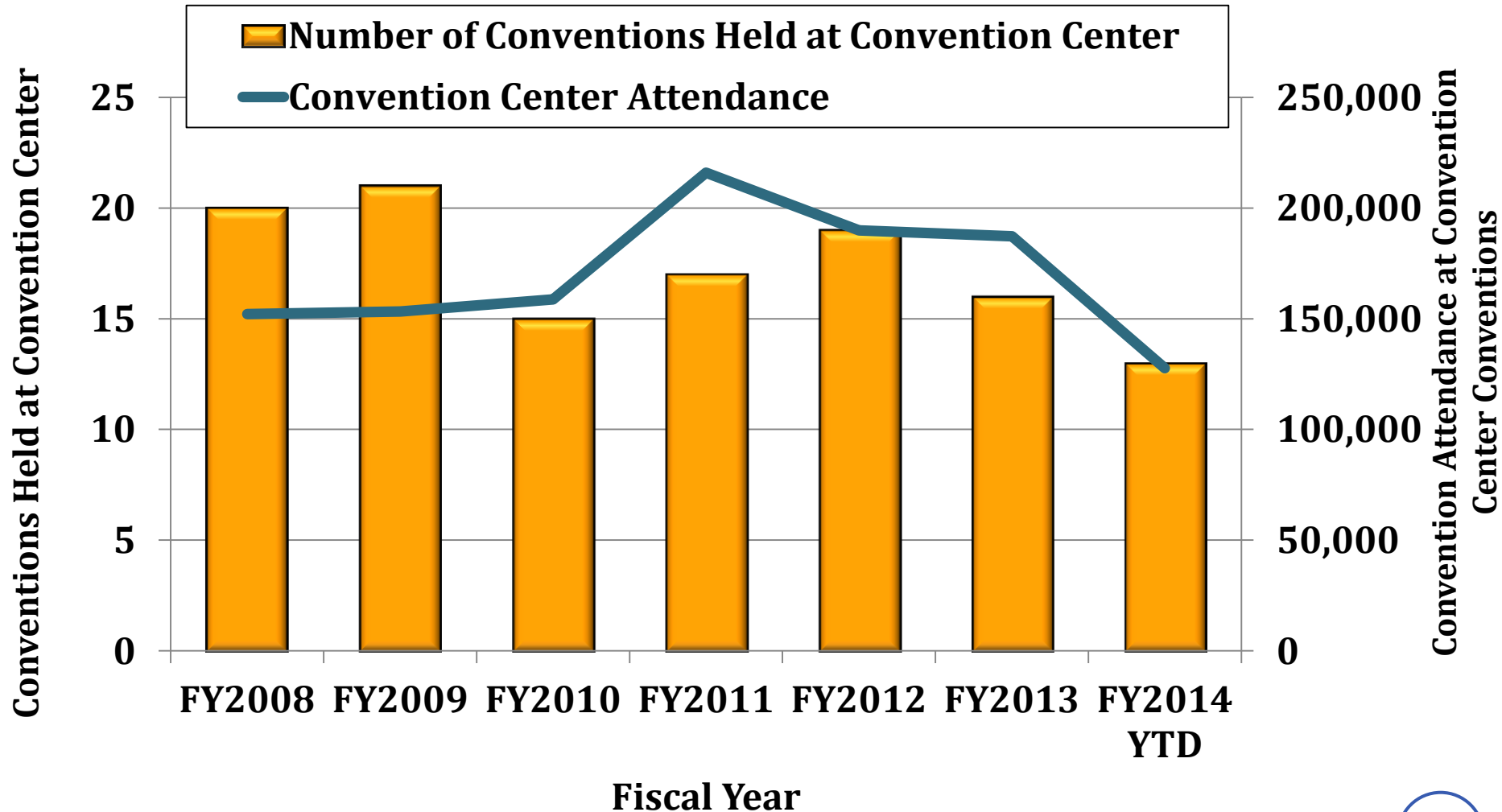
# CONVENTION CENTER HOTEL ROOM NIGHT BOOKINGS BY CVA (ALL SIZES: FOR FUTURE YEARS)

Negative  
Trend: 



# ACTUAL CONVENTIONS HELD AT CONVENTION CENTER AND ATTENDANCE (“CITYWIDE” CONVENTIONS: 1,000 PEAK NIGHT ROOMS)

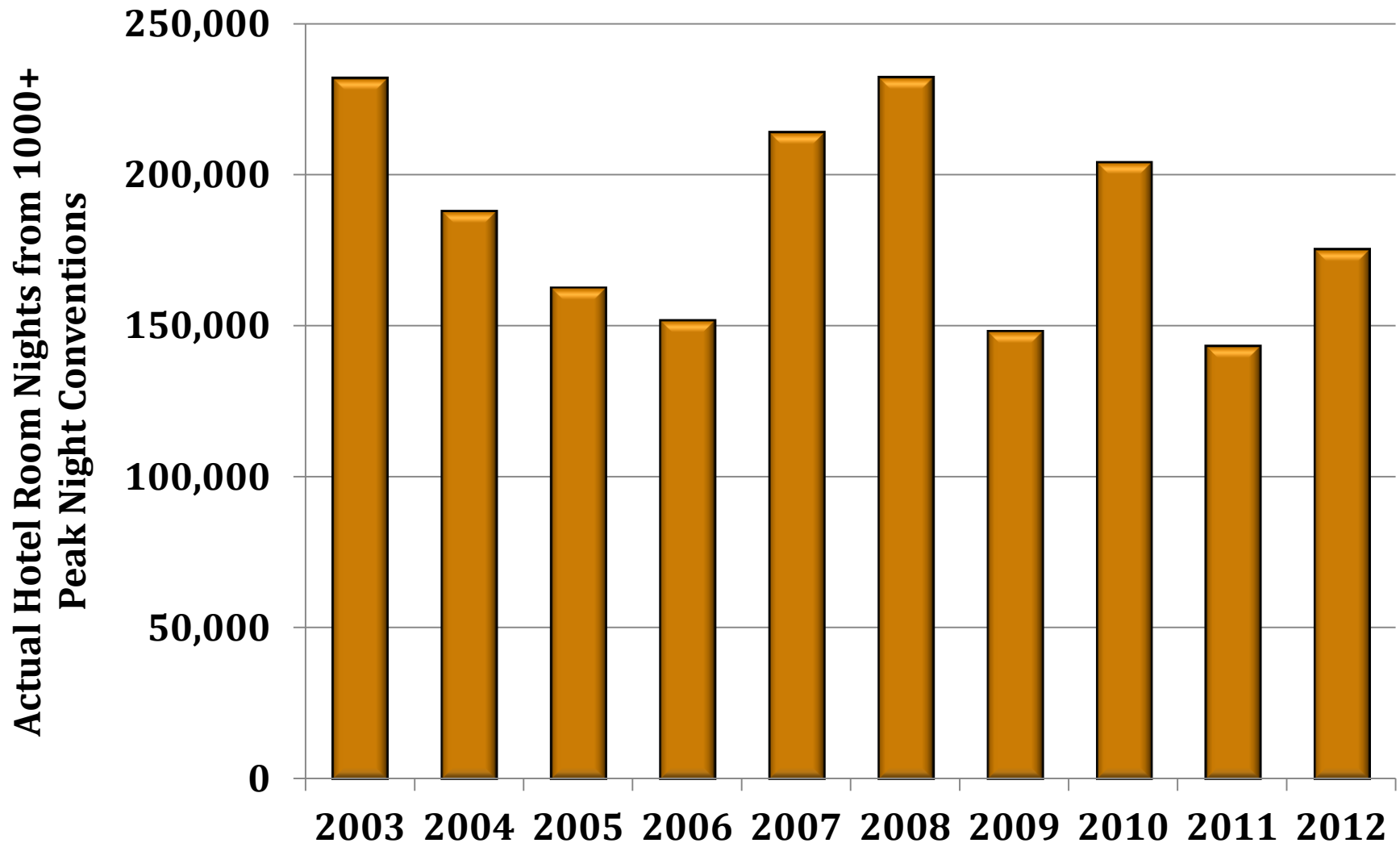
Negative Trend: 



Source: City of Kansas City – Convention and Entertainment Facilities Department

# ACTUAL HOTEL ROOM NIGHTS

("CITYWIDE" CONVENTIONS: 1,000 PEAK NIGHT ROOMS)



# PRIORITY

**Emphasize the focus on the customer across all City services; engage citizens in a meaningful dialogue about City services, processes, and priorities using strategic communication methods.**

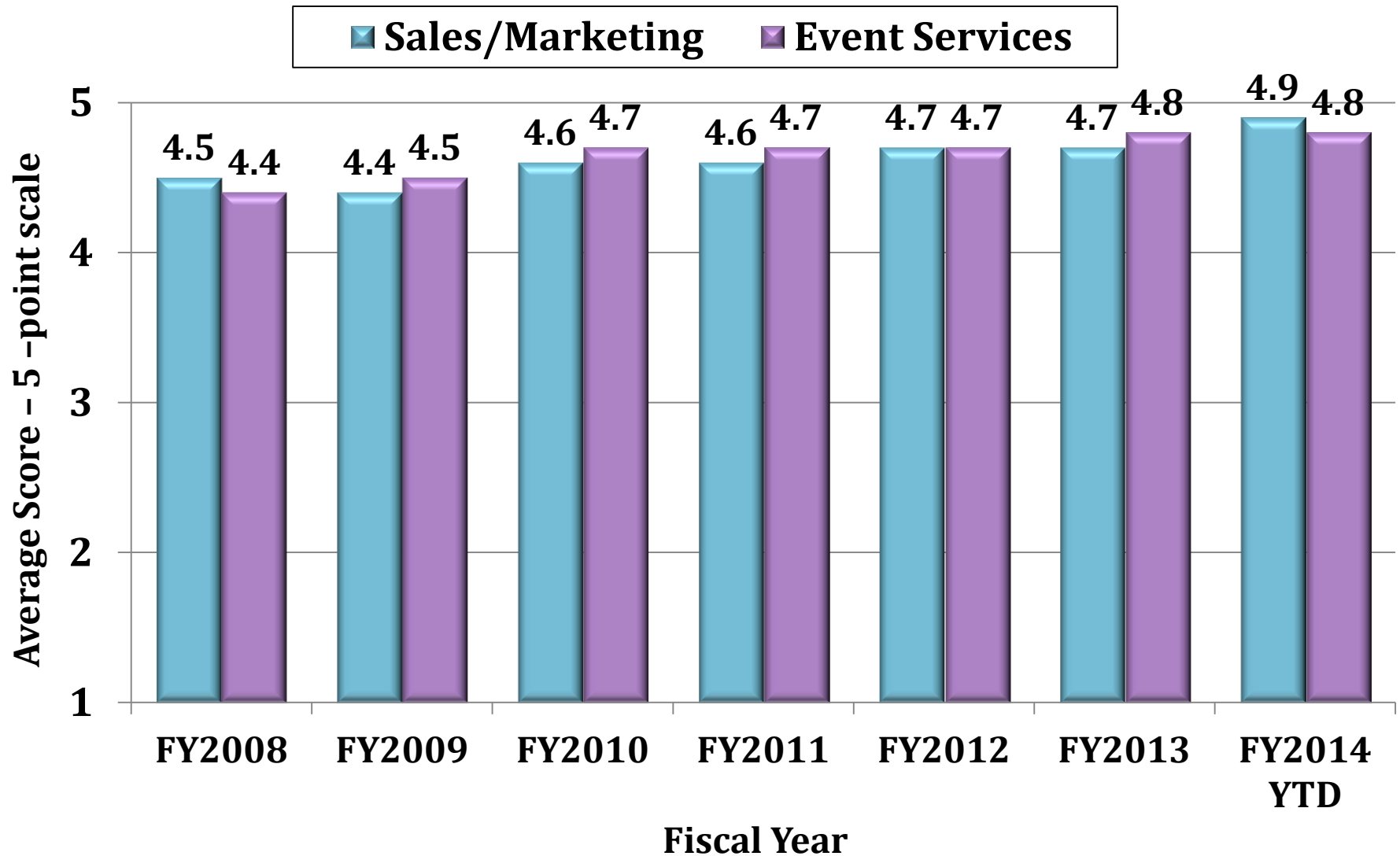
# INDICATORS

- 1. % of citizens satisfied with customer service**
- 2. % of citizens satisfied with communication**
- 3. % of businesses satisfied with City services**
- 4. % of customers satisfied with 311 service request outcomes**



# CONVENTION CENTER CUSTOMER SERVICE

**Watch  
Trend**



*Source: Convention and Entertainment Facilities post-event survey*

## CONVENTION CENTER RECOGNITION

Convention Center Awards	Years won
Facilities & Destination Magazine – Prime Site Award	2010-2013
Hotel and Lodging Association Award	2013

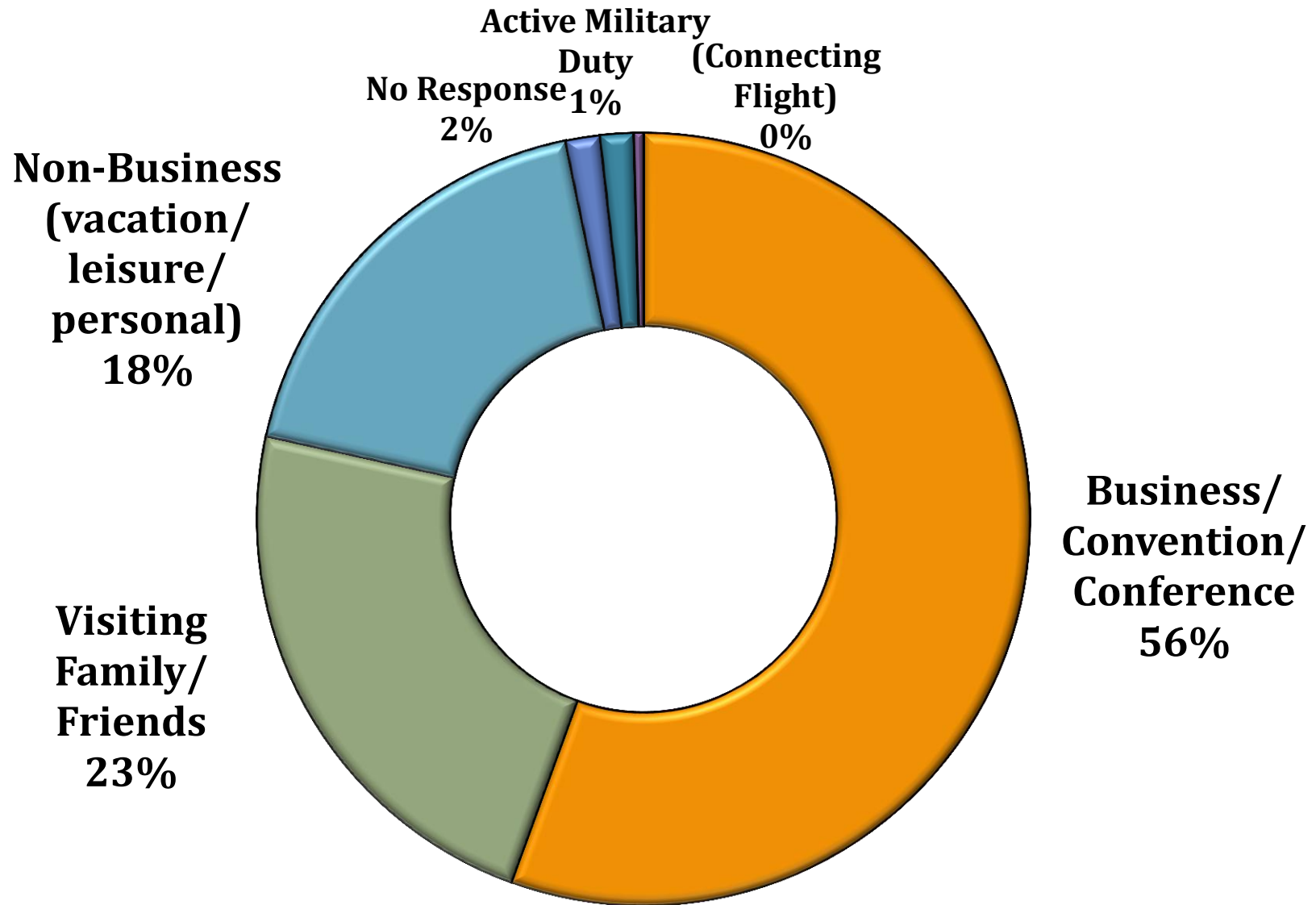
# PRIORITY

**Make Kansas City a destination for personal and business visitors by maximizing the usage of the City's Aviation and Convention assets**

# INDICATORS

1. Number of daily departures and arrivals at KCI Airport
2. Number of citywide/non-citywide conventions and other events at convention center
3. Number of hotel room nights and non-convention hotel room nights booked
4. Progress tracker for new terminal at KCI Airport
5. National/Int'l rankings and features of KC

# KCI AIRPORT PASSENGER SURVEY – REASONS FOR TRAVEL

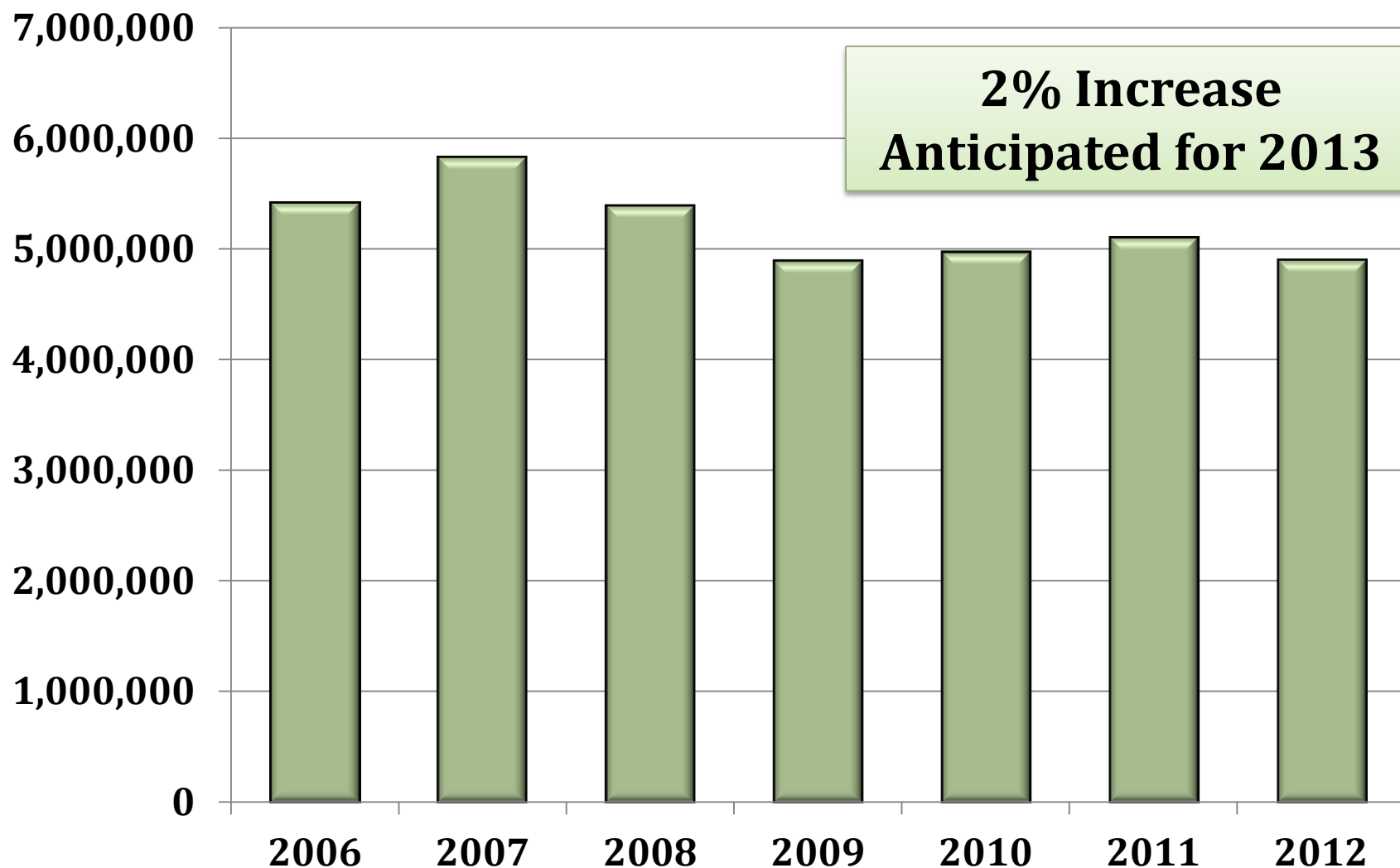


*Source: Aviation Department Passenger Survey, March 2012*

# ENPLANEMENTS AT KCI

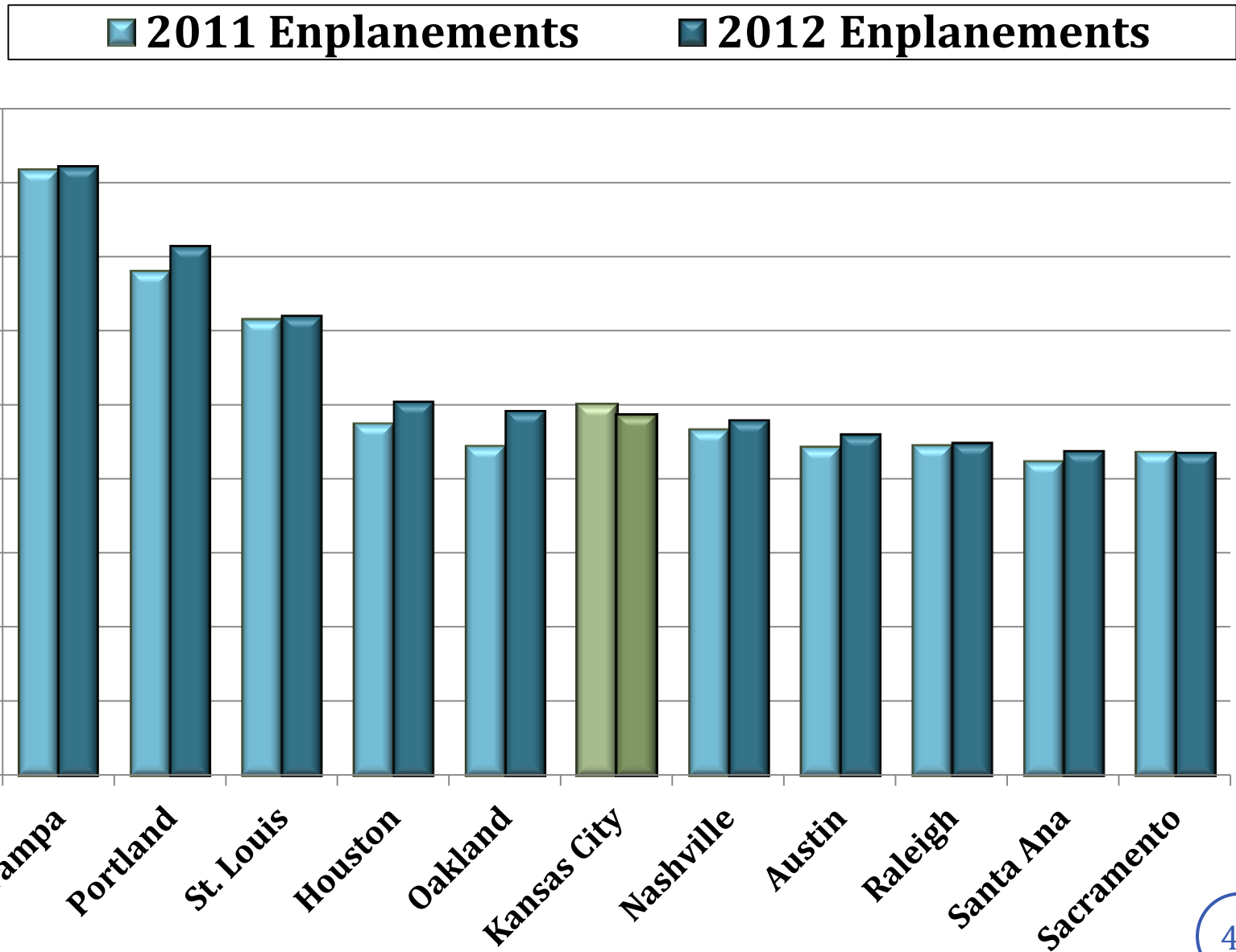
(ALL PASSENGERS BOARDING PLANES)

Negative  
Trend: 



Source: Aviation Department

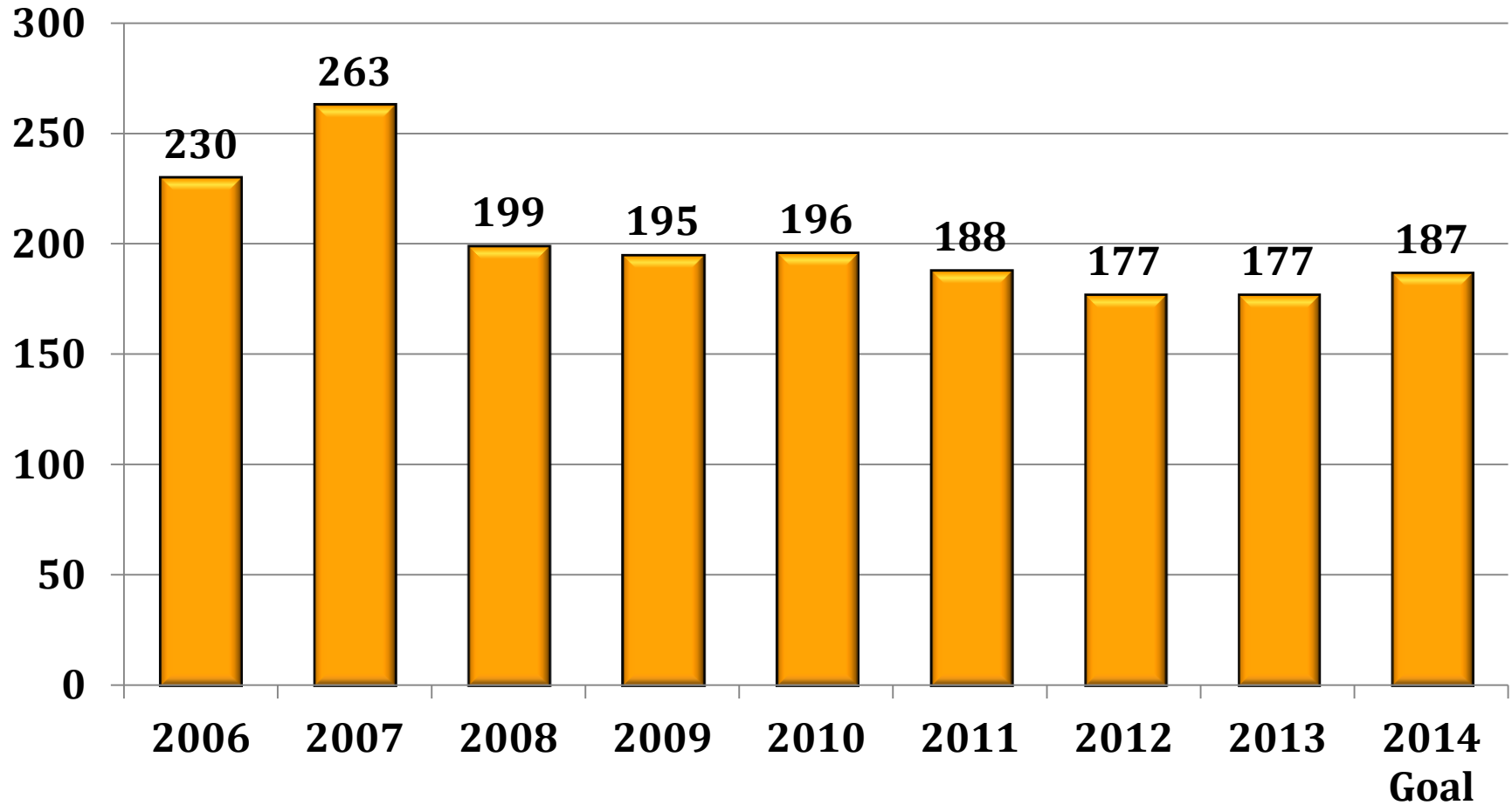
# AIRPORT BENCHMARKS: ENPLANEMENTS



Source: Aviation Department

# DAILY DEPARTURES (PEAK DAY)

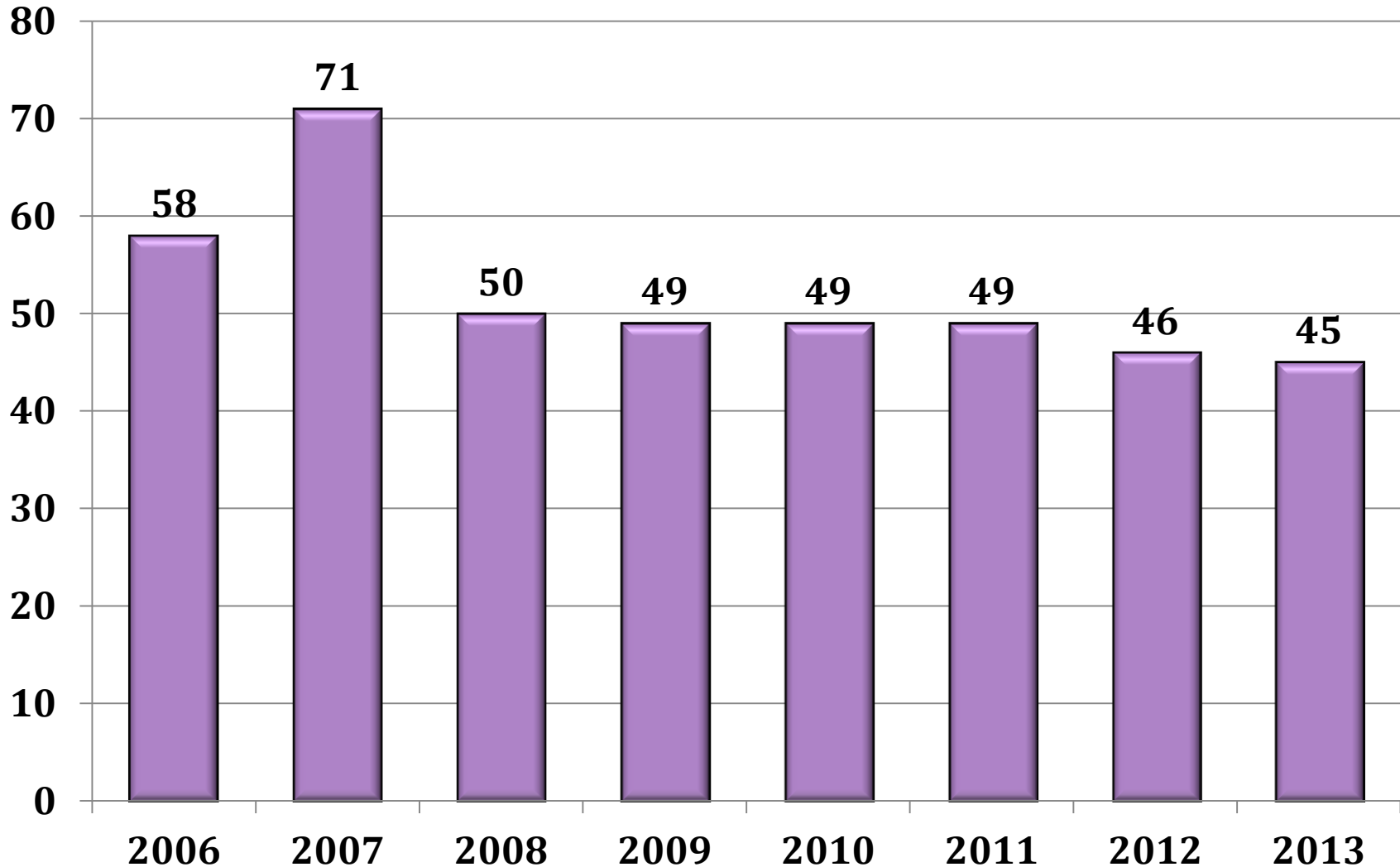
Negative  
Trend: 



Source: Aviation Department

# NON-STOP DESTINATIONS

Negative  
Trend: 



*Source: Aviation Department*



# MCI's Largest Markets Without Nonstop Service

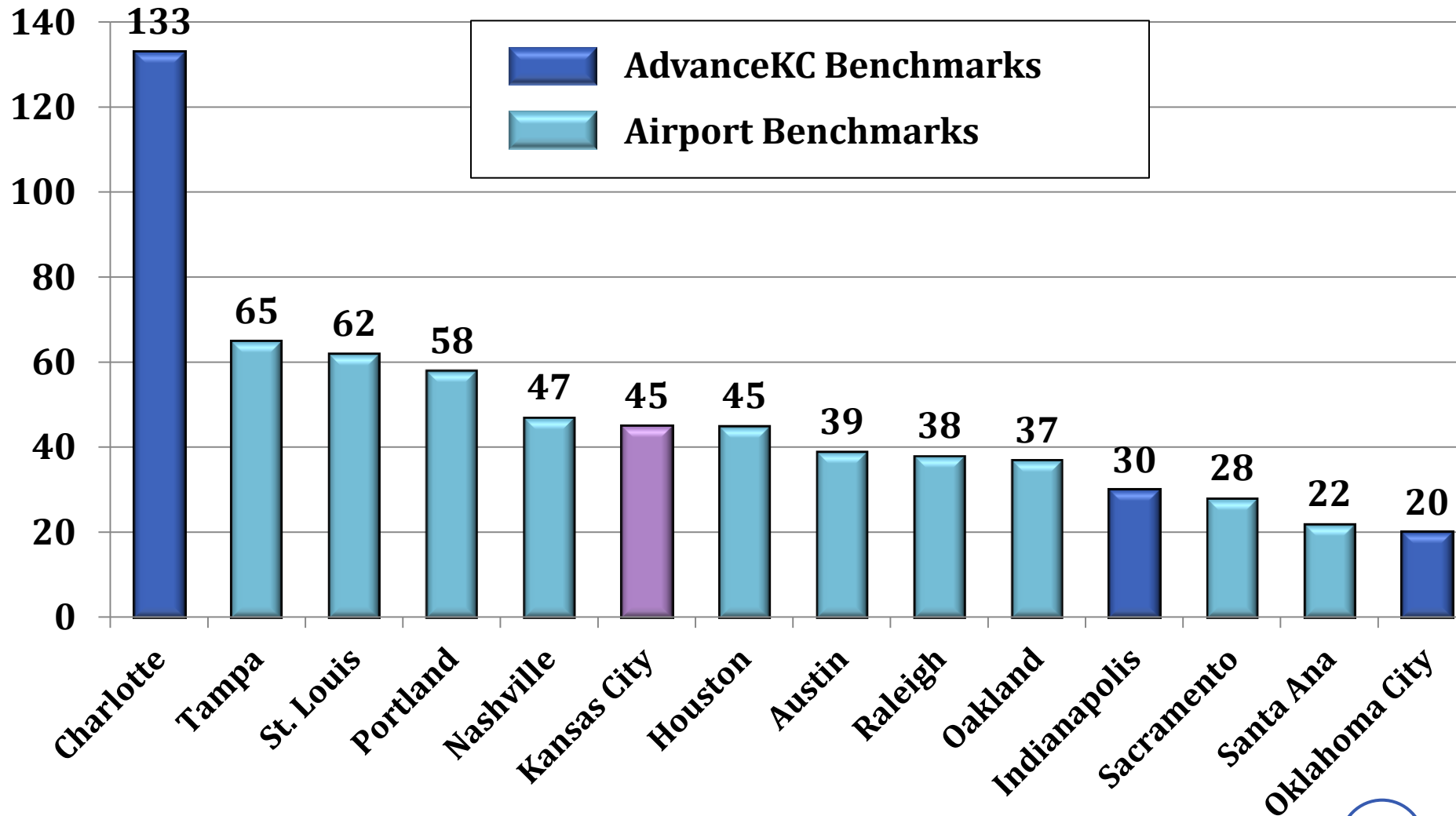
Rank	Top MCI O&D Markets Without Nonstop Service	Miles	CY 2012 O&D Passengers	PDEW	Average Fare	Peak Period	
						PDEW	Year-Ended
1	Austin (AUS)*	649	93,866	129	\$130	156	Q2 '08
2	San Antonio (SAT)	706	92,386	127	\$134	167	Q2 '08
3	Orange County (SNA)	1,341	84,214	115	\$151	131	Q3 '04
4	Sacramento (SMF)	1,441	75,114	103	\$161	121	Q2 '06
5	Raleigh/Durham (RDU)	905	71,072	97	\$171	155	Q2 '08
6	Ft. Myers (RSW)*	1,156	70,052	96	\$146	102	Q4 '07
7	Pittsburgh (PIT)	774	58,072	80	\$149	104	CY '01
8	Columbus (CMH)	633	55,340	76	\$165	119	Q2 '08
9	Oklahoma City (OMA)*	312	46,092	63	\$112	184	Q4 '00
10	Jacksonville (JAX)	956	42,762	59	\$175	104	Q2 '08
	Miami (MIA)	1,252	40,774	56	\$179	117	Q2 '04

\*Nonstop service was flown during calendar year 2012.

Source: Innovata schedule data for March 2013 and U.S. DOT, O&D Survey.



# AIRPORT BENCHMARKS: NON-STOP DESTINATIONS



Source: Aviation Department

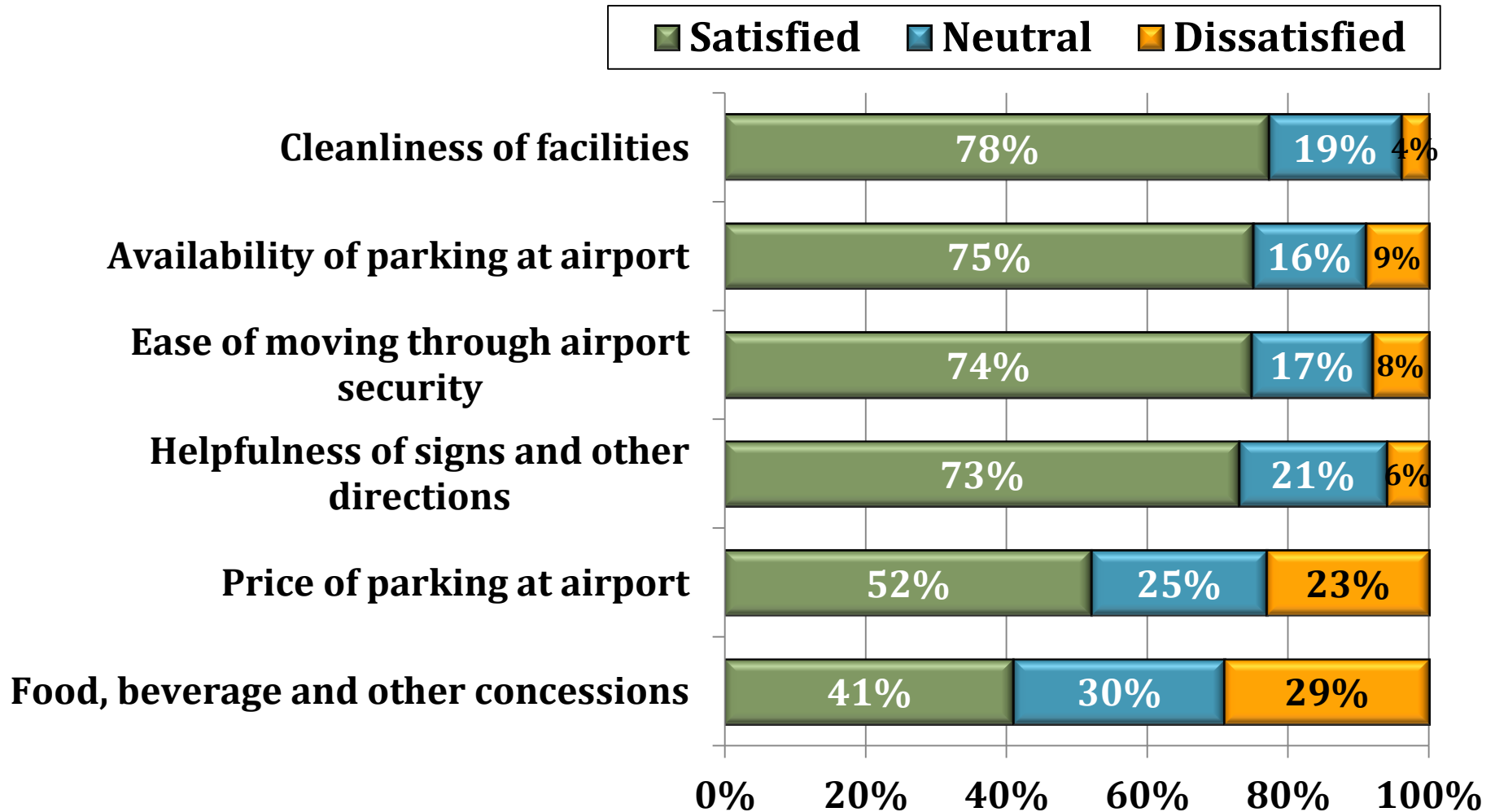
# PRIORITY

**Emphasize the focus on the customer across all City services; engage citizens in a meaningful dialogue about City services, processes, and priorities using strategic communication methods.**

# INDICATORS

- 1. % of citizens satisfied with customer service**
- 2. % of citizens satisfied with communication**
- 3. % of businesses satisfied with City services**
- 4. % of customers satisfied with 311 service request outcomes**

# CITIZEN SATISFACTION WITH KCI AIRPORT SERVICES



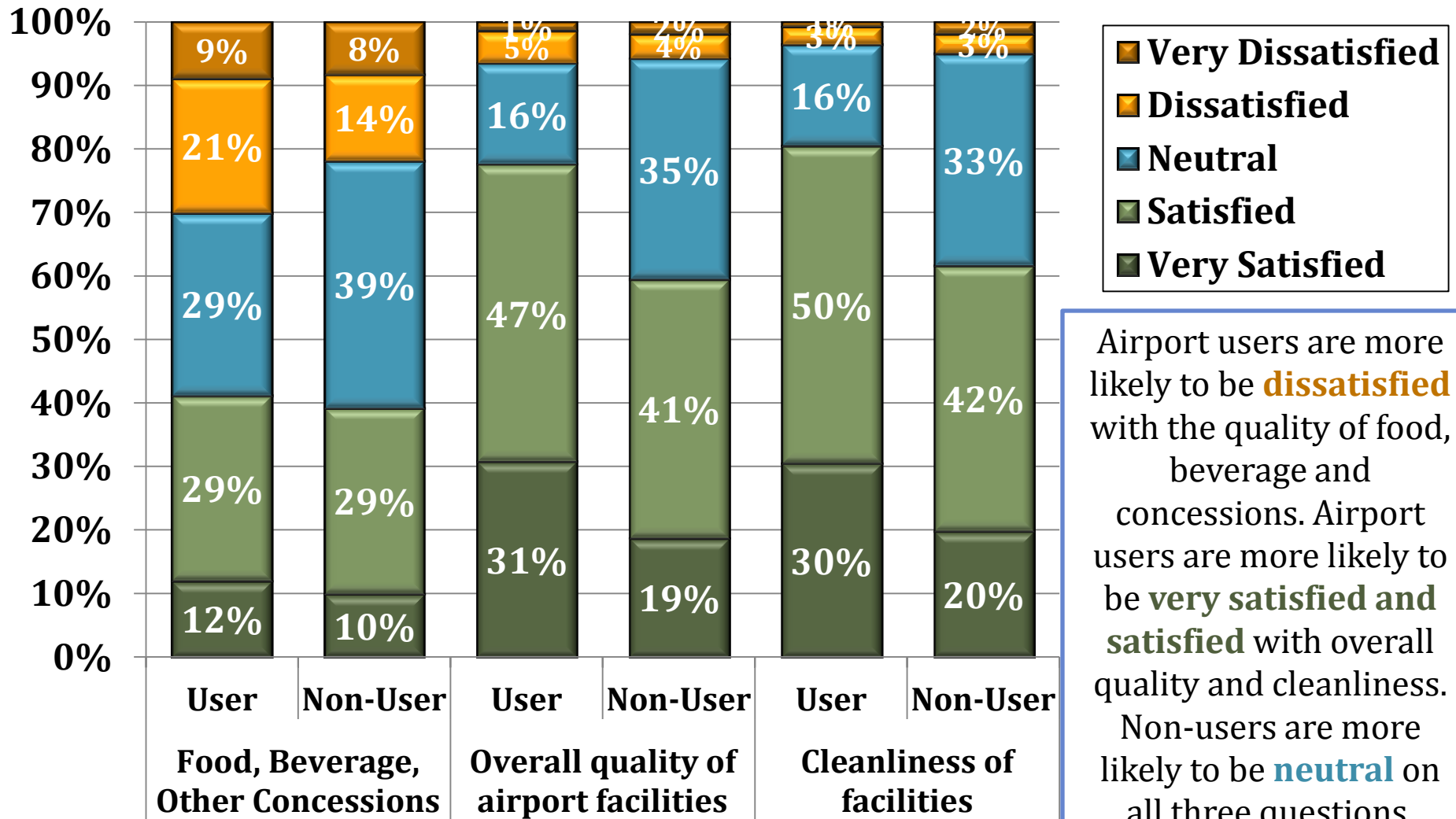
# CITIZEN EMPHASIS + SATISFACTION: AIRPORT

Which TWO of the Airport Services listed do you think should receive the MOST EMPHASIS from the City over the next two years?

<u>Airport Category</u>	<u>Emphasis</u>	<u>Satisfaction</u>	<u>I-S Rank</u>
Food, beverage, and other concessions	30%	41%	1
Price of parking	31%	52%	2
Ease of moving through airport security	29%	74%	3
Availability of parking	19%	75%	4
Helpfulness of signs and other directions	12%	73%	5
Cleanliness of facilities	14%	78%	6

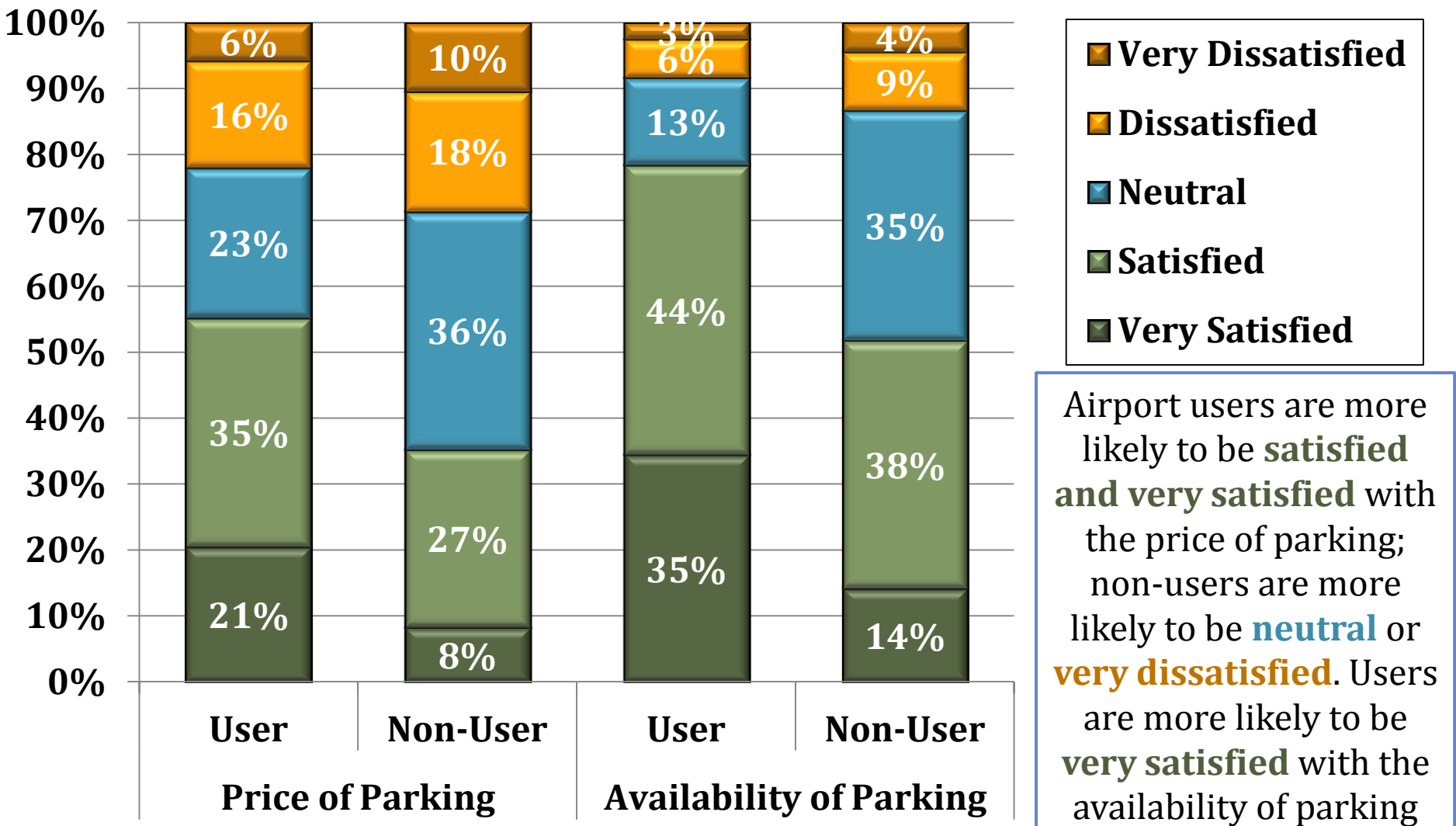
# AIRPORT USER VS. NON-USER SATISFACTION: FACILITY

Survey Question: Have you visited KCI in the last year?



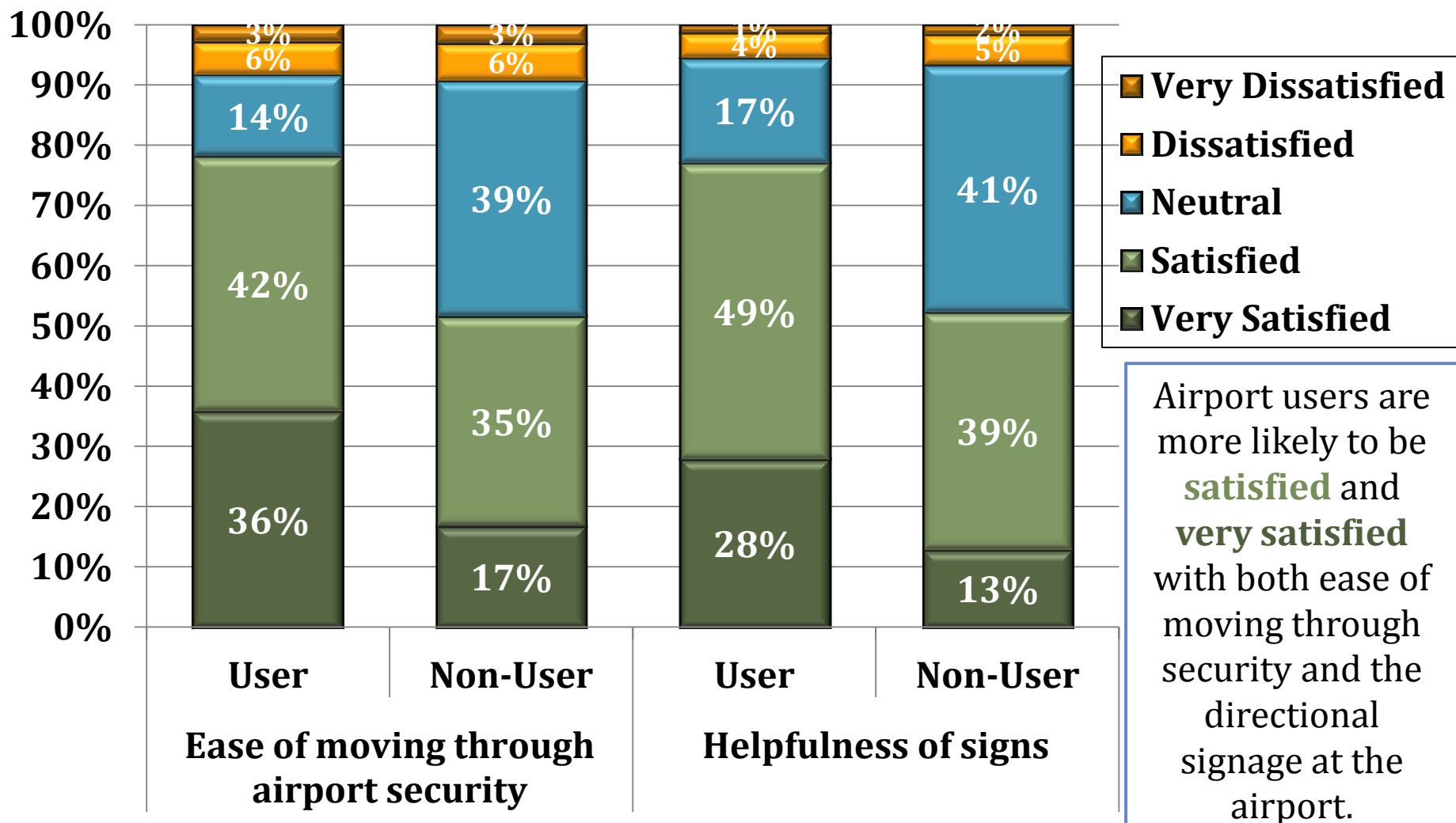
# AIRPORT USER VS. NON-USER SATISFACTION: PARKING

Survey Question: Have you visited KCI in the last year?



# AIRPORT USER VS. NON-USER SATISFACTION: SIGNS AND SECURITY

Survey Question: Have you visited KCI in the last year?





# Final Thoughts or Questions?

